

Matthews Asia Funds | 31 March 2017

## Annual Report, including Audited Financial Statements

### ASIA FIXED INCOME STRATEGIES

Asia Strategic Income Fund  
Asia Credit Opportunities Fund

### ASIA GROWTH AND INCOME STRATEGIES

Asia Dividend Fund  
Asia ex Japan Dividend Fund  
China Dividend Fund

### ASIA GROWTH STRATEGIES

Asia Focus Fund  
Pacific Tiger Fund  
China Fund  
India Fund  
Japan Fund

### ASIA SMALL COMPANY STRATEGIES

Asia Small Companies Fund  
China Small Companies Fund



**Matthews Asia**

Société d'investissement à Capital Variable  
Luxembourg

RCS Luxembourg B 151 275



## General Information

Matthews International Capital Management, LLC (“Matthews”), formed under the laws of Delaware and regulated by the U.S. Securities and Exchange Commission, acts as Investment Manager to the Matthews Asia Funds (the “Fund”). Matthews believes in the long-term growth of Asia. Since Matthews was founded in 1991 by Paul Matthews, the firm has focused its efforts and expertise within the Asian region, investing through a variety of market environments. As an independent, privately owned firm, Matthews is the largest dedicated Asia investment specialist in the United States.

The Fund has an “umbrella” structure comprising a number of separate Sub-Funds. As at the closing date, 12 Sub-Funds were available for investment: Asia Dividend Fund, China Dividend Fund, Pacific Tiger Fund, China Fund, India Fund, Japan Fund, China Small Companies Fund, Asia Small Companies Fund, Asia Focus Fund, Asia ex Japan Dividend Fund, Asia Strategic Income Fund and Asia Credit Opportunities Fund. This report covers the year from 1 April 2016 to 31 March 2017. The last day on which official prices were calculated was 31 March 2017. The figures presented in the financial statements are as at that date.

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the third Tuesday of the month of August of each year at 2:00 p.m. or, if any such day is not a Business Day in Luxembourg, on the next following Business Day; or, following notice to Shareholders, on such other day as determined by the Fund’s Board of Directors. Notices of all general meetings will be published to the extent required by Luxembourg Law, and in such other newspaper as the Board of Directors shall determine and will be sent to the Shareholders of registered Shares in accordance with Luxembourg Law to their addresses shown on the register of Shareholders. Such notices should include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg Law.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Class requires a separate majority vote from the meeting of Shareholders of the Class concerned. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the Shareholders at the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

Annual reports and audited financial statements shall be published within four months following the end of the accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer. The annual reports, including audited financial statements and the unaudited semi-annual reports shall be made available at the registered office of the Fund during ordinary office hours.

The Fund’s accounting year ends on 31 March in each year.

The Base Currency of the Fund is U.S. dollars (USD). The aforesaid reports will comprise combined financial statements of the Fund expressed in USD as well as individual information on each Sub-Fund expressed in the Base Currency of each Sub-Fund.

Shares have not been registered under the United States Securities Act of 1933, as amended, nor the Investment Companies Act of 1940, as amended, and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States Law.

The Board of Directors confirms adherence to the ALFI Code of Conduct for Luxembourg investment funds.

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Cover photo: Conical Vietnamese hats, Hanoi, Vietnam

*This report does not constitute or form part of any offer of shares or an invitation to subscribe for shares of Matthews Asia Funds (the "Fund"). Subscriptions are to be made on the basis of the Key Investor Information Documents (KIIDs) accompanied by the current full prospectus, and supplemented by the latest Annual Report, including Audited Financial Statements, or the most recent unaudited Semi-Annual Report.*

*The views and opinions in this report were current as at 31 March 2017. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of a Fund's future investment intent.*

*The subject matter contained herein has been derived from several sources believed to be reliable and accurate at the time of compilation. Matthews International Capital Management, LLC does not accept any liability for losses either direct or consequential caused by the use of this information.*

*The most current Key Investor Information Documents, full prospectus, and most recent unaudited Semi-Annual Report and Annual Report, including Audited Financial Statements for the Fund, can be found at [global.matthewsasia.com](http://global.matthewsasia.com). Please read the Key Investor Information Documents and current full prospectus carefully before investing.*

*In Singapore, this document is available to, and intended for Institutional Investors under Section 304 of the SFA (Securities and Futures Act), and to Relevant Persons pursuant to section 305 of the SFA, as those terms are used under the relevant law.*

# Matthews Asia Funds

## *Management and Administration*

### **BOARD OF DIRECTORS**

#### **Chairman**

William J. Hackett, Chief Executive Officer  
Matthews International Capital Management, LLC  
Four Embarcadero Center, Suite 550  
San Francisco, CA 94111, United States of America

#### **Directors**

Hanna Esmee Duer, Independent Director<sup>1</sup>  
370, route de Longwy, L-1940 Luxembourg  
Grand Duchy of Luxembourg

Richard Goddard, Independent Director  
The Directors' Office, S.A.  
19, rue de Bitbourg, L-1273 Luxembourg  
Grand Duchy of Luxembourg

John P. McGowan, Head of Fund Administration  
Matthews International Capital Management, LLC  
Four Embarcadero Center, Suite 550  
San Francisco, CA 94111, United States of America

Timothy B. Parker, Director, International Strategy, Product  
and Operations  
Matthews International Capital Management, LLC  
Four Embarcadero Center, Suite 550  
San Francisco, CA 94111, United States of America

#### **Conducting Officers**

Richard Goddard  
Timothy B. Parker

### **INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR**

Matthews International Capital Management, LLC  
Four Embarcadero Center, Suite 550  
San Francisco, CA 94111, United States of America

### **INVESTMENT ADVISOR**

Matthews Global Investors S.à r.l.  
19, rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

### **DEPOSITARY, ADMINISTRATIVE AGENT AND TRANSFER AGENT<sup>2</sup>**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

### **CABINET DE REVISION AGREE**

Deloitte Audit  
*Société à responsabilité limitée*  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg

### **LEGAL ADVISOR**

Arendt & Medernach S.A.  
41A, avenue J.F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

### **REGISTERED OFFICE<sup>2</sup>**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

<sup>1</sup> Appointed on 27 March 2017.

<sup>2</sup> Prior to 4 April 2016:

Depositary, Administrative Agent, Transfer Agent, Listing Agent and Registered Office:

J.P. Morgan Bank Luxembourg S.A.  
European Bank & Business Centre  
6c, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg



## Investment Manager's Report

Dear Valued Investors,

There has been quite a slew of good news coming out of Asia, recently—though you may not have noticed it, buried behind the trials and tribulations of President Donald Trump, GOP health care plans, and tax reform in the U.S.; Dutch elections, Brexit debates, Scottish independence and French presidential elections in Europe; and OPEC production flip-flops. Dominant news out of Asia has focused on North Korea's perennial saber-rattling. But other things have been happening, too. First, the impeachment of South Korea's president and the corruption indictment of Samsung's heir seem to have given new impetus to South Korea's reform agenda. In India, Prime Minister Narendra Modi, whose own reform program appeared to have hit some bumps with his demonetization policy late last year, reaffirmed his popularity with a landslide win in India's state elections. In China, events have been noticeable for what hasn't happened—massive capital flight hasn't taken place as some feared; the U.S. did not overturn its long-held One China policy. And then there are the events that did occur: improved corporate results, hope for special dividends to be paid from some listed state-owned enterprises—all against a backdrop of markets that have risen 10.7% so far this year, according to the MSCI Asia Pacific Index.

I do not think that this has necessarily changed the average investor's sentiment toward Asia. Through our global client base, I am privileged to meet a lot of smart investors throughout the year. And while sentiment has improved from where it was in early 2016, there is still much skepticism surrounding Asia. The bearishness with regards to China in the U.S. seemed to reach its peak in early 2016. But during my visits with European clients in 2015 and 2016, they also commonly reported being strongly underweight Asia—some at historically low weights. And whereas, the ground may have shifted a little more back toward Asia after the Brexit vote caused many to look at Europe's own problems—problems that threatened to weaken the political and economic union and that, due to the political calendar this year, could extend across several quarters. The atmosphere is hardly exuberant!

Is this fair? This is always a dangerous question to ask, as it belies a certain feeling of injustice being dealt to our "home" markets. But it is true that Asia's problems never seemed to be so bad when you speak with those who are actually living and working in Asia—or for that matter in other emerging economies such as in Latin America. Throughout all of the Western bearishness, investors in so-called emerging market economies were less likely to treat other emerging markets as risky just because of the name. These investors know how misleading the term "emerging" has become. Rather, they were able to focus on the long-term growth promise of the region.

Now in 2017, Asia's markets have got off to a good start. This naturally brings them to people's attention. And yet they still seem to be climbing a wall of worry. I think that in the U.S., people are still beguiled by the post-election rise in the market. Even with the weakening prospect of infrastructure spending and tax reform stymied by the GOP struggles with health care, the equity market remains mesmerized by the prospect of deregulation and the bond market is unfazed by Federal Reserve rate rises. The U.S. stock market, at 18.5X forward earnings (as of late March), is riding a wave of hope, just as Asia's markets at 14.6X forward earnings, finally have some tangible achievements to rely on. Cyclically adjusted price-to-earnings ratios (where one looks at an average of multiple past year's earnings) paint an even starker valuation discrepancy. This is due to the fact that earnings in Asia have been cyclically depressed (possibly by higher wages) for the past five years. The contrast with the U.S. is stark. Blue-collar workers, feeling disenfranchised by capitalism and rising corporate profit margins in a weak economy, swept



## Investment Manager's Report *(Continued)*

Trump to power. In Asia, it has been the corporate world that has had to support faster wage growth and where the politicians—more assured of grassroots support for capitalist growth—are able, as was China's President Xi Jinping at Davos, to become one of the more ardent voices for globalism, trade and capitalist development.

The recent environment has not always been favorable to our portfolios. The rally that took place in commodity companies, on the back of hopes for infrastructure spending and global reflation, hurt relative performance. But we remain skeptical of this rally. It has already taken these companies to expensive valuations—and there is evidence of both stockpiling and renewed acceleration of production in some key commodities, just as hopes for large-scale Chinese (and to a lesser extent U.S.) infrastructure spend seem to be fading. The rotation amongst speculators from high-quality secular growth names to shorter-term cyclicals caused a severe divergence in performance between, for example energy and minerals stocks versus consumer staples and telecommunications businesses in the fourth quarter of 2016. However, for the moment, this seems to have played itself out.

Of course, changes in sentiment that bring the region back into favor may again ignite performance in some of the region's cyclical sectors. But we remain committed to finding long-term growth in companies that will survive and grow sustainably over decades. Asia's future lies in high-end manufacturing, the growth of consumer brands, the further development of financial markets, media, leisure and entertainment—the development of the digital world much more so than building roads, bridges, and dams. I note that the changes in environment in Asia, unlike the focus on tax cuts and fiscal spending in the U.S., are strategic and structural in nature. Better governance of both countries and corporates can add significant value to economies and markets over the long term. We believe that focusing on strong companies that will support Asia's secular growth is the best way to think about core investments in the world's most populous region.

Robert Horrocks, PhD  
Chief Investment Officer  
Matthews International Capital Management, LLC

*The figures stated in the report are historical and not necessarily indicative of future performance.*

## Report of the *Réviseur d'entreprises agréé* To the Shareholders of Matthews Asia Funds

Deloitte Audit  
Société à responsabilité limitée  
560, rue de Neudorf  
L-2220 Luxembourg  
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80, route d'Esch  
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Following our appointment by the annual general meeting of the Shareholders dated 16 August 2016, we have audited the accompanying financial statements of Matthews Asia Funds (the "SICAV") and each of its Sub-Funds, which comprise the Statements of Assets and Liabilities and the Schedule of Investments as at 31 March 2017 and the Statement of Operations and Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Responsibility of the Board of Directors of the SICAV for the financial statements**

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Responsibility of the *réviseur d'entreprises agréé***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Matthews Asia Funds and of each of its Sub-Funds as at 31 March 2017, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

## Report of the *Réviseur d'entreprises agréé*

To the Shareholders of Matthews Asia Funds *(Continued)*

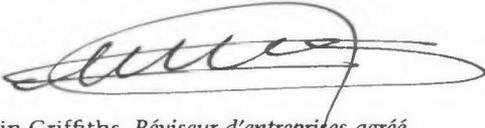
### Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of *réviseur d'entreprises agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

For Deloitte Audit, *Cabinet de révision agréé*

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Justin Griffiths, *Réviseur d'entreprises agréé*  
Partner

Luxembourg, 30 June 2017

## Schedule of Investments

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>					<b>VIETNAM</b>				
<b>BONDS</b>					Debt & Asset Trading Corp., 1.000%, 10/10/2025				
<b>INDIA</b>					USD 800,000 461,960 4.20				
Axis Bank, Ltd., 7.125%, 06/28/2022	USD	500,000	503,349	4.56	Socialist Republic of Vietnam, 5.200%, 01/12/2022				
Housing Development Finance Corp., Ltd., 8.900%, 08/18/2020	INR	25,000,000	398,892	3.62	VND 7,000,000,000 308,360 2.80				
Rural Electrification Corp., Ltd., 9.340%, 08/25/2024	INR	18,000,000	304,787	2.77	<b>770,320 7.00</b>				
Power Grid Corp. of India, Ltd., Series B, 9.300%, 09/04/2024	INR	18,000,000	303,846	2.76	<b>UNITED STATES</b>				
TML Holdings Pte, Ltd., 5.750%, 05/07/2021	USD	269,000	283,795	2.58	Sprint Communications, Inc., 6.000%, 11/15/2022				
Housing Development Finance Corp., Ltd., 9.240%, 06/24/2024	INR	10,000,000	165,728	1.50	USD 600,000 612,000 5.56				
Power Finance Corp., Ltd., 7.470%, 09/16/2021	INR	10,000,000	153,985	1.40	<b>612,000 5.56</b>				
			<b>2,114,382</b>	<b>19.19</b>	<b>PAKISTAN</b>				
<b>INDONESIA</b>					Islamic Republic of Pakistan, 8.250%, 04/15/2024				
Indonesia Treasury Bond, 8.375%, 03/15/2024	IDR	4,500,000,000	362,856	3.29	USD 400,000 442,500 4.02				
Indonesia Treasury Bond, 8.375%, 03/15/2034	IDR	4,100,000,000	324,942	2.95	<b>442,500 4.02</b>				
Indonesia Treasury Bond, 7.875%, 04/15/2019	IDR	4,000,000,000	307,921	2.80	<b>SOUTH KOREA</b>				
Alam Synergy Pte, Ltd., 6.950%, 03/27/2020	USD	250,000	256,563	2.33	Korea Treasury Bond, 3.500%, 03/10/2024				
			<b>1,252,282</b>	<b>11.37</b>	KRW 300,000,000 292,798 2.66				
<b>SRI LANKA</b>					<b>292,798 2.66</b>				
National Savings Bank, 8.875%, 09/18/2018	USD	500,000	531,705	4.83	<b>TOTAL BONDS 7,554,984 68.61</b>				
DFCC Bank PLC, 9.625%, 10/31/2018	USD	400,000	415,872	3.78	<b>CONVERTIBLE BONDS</b>				
Republic of Sri Lanka, 6.125%, 06/03/2025	USD	300,000	299,625	2.72	<b>INDONESIA</b>				
			<b>1,247,202</b>	<b>11.33</b>	Delta Investment Horizon International, Ltd., Cnv., 3.000%, 05/26/2020				
<b>CHINA/HONG KONG</b>					USD 600,000 585,000 5.31				
Standard Chartered PLC, 6.500%, 12/29/2049	USD	500,000	491,875	4.47	<b>585,000 5.31</b>				
China Hongqiao Group, Ltd., 6.875%, 05/03/2018	USD	350,000	331,625	3.01	<b>THAILAND</b>				
			<b>823,500</b>	<b>7.48</b>	CP Foods Holdings, Ltd., Cnv., 0.500%, 09/22/2021				
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>					USD 400,000 400,900 3.64				
					<b>400,900 3.64</b>				
					<b>TOTAL CONVERTIBLE BONDS 985,900 8.95</b>				
					<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING 8,540,884 77.56</b>				

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments* (continued)

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Country Allocation	% of Net Assets
<b>Transferable securities and money market instruments dealt in on another regulated market</b>						
<b>BONDS</b>						
<b>MALAYSIA</b>						
Malaysia Government Investment Issue, 3.508%, 05/15/2018	MYR	2,700,000	610,045	5.54	Malaysia	5.54
			<b>610,045</b>	<b>5.54</b>		
<b>CANADA</b>						
Harvest Operations Corp., 6.875%, 10/01/2017	USD	575,000	577,875	5.25	Canada	5.25
			<b>577,875</b>	<b>5.25</b>		
<b>SRI LANKA</b>						
Republic of Sri Lanka, Series B, 8.500%, 07/15/2018	LKR	43,000,000	273,686	2.49	Sri Lanka	2.49
Republic of Sri Lanka, Series A, 8.750%, 10/15/2018	LKR	43,000,000	272,382	2.47	Sri Lanka	2.47
			<b>546,068</b>	<b>4.96</b>		
<b>CHINA/HONG KONG</b>						
HSBC Holdings PLC, 6.375%, 12/29/2049	USD	450,000	455,063	4.13	China/Hong Kong	4.13
			<b>455,063</b>	<b>4.13</b>		
<b>TOTAL BONDS</b>			<b>2,189,051</b>	<b>19.88</b>		
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS DEALT IN ON ANOTHER REGULATED MARKET</b>						
			<b>2,189,051</b>	<b>19.88</b>		
<b>TOTAL INVESTMENTS</b>			<b>10,729,935</b>	<b>97.44</b>		
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>			<b>282,094</b>	<b>2.56</b>		
<b>TOTAL NET ASSETS</b>			<b>11,012,029</b>	<b>100.00</b>		
<b>Country Allocation</b>						<b>% of Net Assets</b>
India						19.19
Indonesia						16.68
Sri Lanka						16.29
China/Hong Kong						11.61
Vietnam						7.00
United States						5.56
Malaysia						5.54
Canada						5.25
Pakistan						4.02
Thailand						3.64
South Korea						2.66
<b>Total Investments</b>						<b>97.44</b>
Cash and Other Assets, Less Liabilities						2.56
<b>Total</b>						<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>					<b>NETHERLANDS</b>				
<b>BONDS</b>					ICTSI Treasury BV, 5.875%, 09/17/2025				
<b>CHINA/HONG KONG</b>					Listrindo Capital BV, 4.950%, 09/14/2026				
Standard Chartered PLC, 6.500%, 12/29/2049	USD	700,000	688,624	5.08			400,000	429,460	3.17
China Hongqiao Group, Ltd., 6.875%, 05/03/2018	USD	650,000	615,875	4.55			400,000	390,756	2.89
KWG Property Holding, Ltd., 8.975%, 01/14/2019	USD	400,000	418,500	3.09				<b>820,216</b>	<b>6.06</b>
Wynn Macau, Ltd., 5.250%, 10/15/2021	USD	400,000	407,000	3.01	<b>PAKISTAN</b>				
MCE Finance, Ltd., 5.000%, 02/15/2021	USD	400,000	405,500	3.00	Islamic Republic of Pakistan, 8.250%, 04/15/2024				
			<b>2,535,499</b>	<b>18.73</b>		USD	600,000	663,750	4.90
								<b>663,750</b>	<b>4.90</b>
<b>SRI LANKA</b>					<b>UNITED STATES</b>				
DFCC Bank PLC, 9.625%, 10/31/2018	USD	600,000	623,808	4.61	Sprint Communications, Inc., 6.000%, 11/15/2022				
Republic of Sri Lanka, 6.125%, 06/03/2025	USD	500,000	499,375	3.69		USD	650,000	663,000	4.90
National Savings Bank, 8.875%, 09/18/2018	USD	400,000	425,364	3.14				<b>663,000</b>	<b>4.90</b>
			<b>1,548,547</b>	<b>11.44</b>	<b>PHILIPPINES</b>				
					Megaworld Corp., 4.250%, 04/17/2023				
<b>VIETNAM</b>						USD	200,000	199,968	1.48
Debt & Asset Trading Corp., 1.000%, 10/10/2025	USD	1,020,000	588,999	4.35				<b>199,968</b>	<b>1.48</b>
Socialist Republic of Vietnam, 4.800%, 11/19/2024	USD	400,000	407,500	3.01	<b>TOTAL BONDS</b>				
Vietnam JSC for Industry & Trade, 8.000%, 05/17/2017	USD	400,000	401,904	2.97				<b>9,899,835</b>	<b>73.14</b>
			<b>1,398,403</b>	<b>10.33</b>	<b>CONVERTIBLE BONDS</b>				
<b>INDONESIA</b>					<b>INDONESIA</b>				
MPM Global Pte, Ltd., 6.750%, 09/19/2019	USD	400,000	417,500	3.09	Delta Investment Horizon International, Ltd., Cnv., 3.000%, 05/26/2020				
Alam Synergy Pte, Ltd., 6.950%, 03/27/2020	USD	400,000	410,500	3.03		USD	800,000	780,000	5.77
TBG Global Pte, Ltd., 5.250%, 02/10/2022	USD	400,000	410,500	3.03				<b>780,000</b>	<b>5.77</b>
			<b>1,238,500</b>	<b>9.15</b>	<b>THAILAND</b>				
<b>SINGAPORE</b>					CP Foods Holdings, Ltd., Cnv., 0.500%, 09/22/2021				
Olam International, Ltd., 7.500%, 08/12/2020	USD	400,000	436,456	3.23		USD	600,000	601,350	4.44
Theta Capital Pte, Ltd., 6.750%, 10/31/2026	USD	400,000	395,496	2.92				<b>601,350</b>	<b>4.44</b>
			<b>831,952</b>	<b>6.15</b>	<b>TOTAL CONVERTIBLE BONDS</b>				
								<b>1,381,350</b>	<b>10.21</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>					<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>				
								<b>11,281,185</b>	<b>83.35</b>

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments* (continued)

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Country Allocation	% of Net Assets
<b>Transferable securities and money market instruments dealt in on another regulated market</b>						
<b>BONDS</b>						
<b>CHINA/HONG KONG</b>						
HSBC Holdings PLC, 6.375%, 12/29/2049	USD	650,000	657,312	4.85	China/Hong Kong	23.58
			<b>657,312</b>	<b>4.85</b>	Indonesia	14.92
					Sri Lanka	11.44
					Vietnam	10.33
					Singapore	6.15
					Netherlands	6.06
					Pakistan	4.90
					United States	4.90
					Canada	4.83
					Thailand	4.44
					Philippines	1.48
					<b>Total Investments</b>	<b>93.03</b>
					Cash and Other Assets, Less Liabilities	6.97
					<b>Total</b>	<b>100.00</b>
<b>TOTAL BONDS</b>			<b>1,310,562</b>	<b>9.68</b>		
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS DEALT IN ON ANOTHER REGULATED MARKET</b>			<b>1,310,562</b>	<b>9.68</b>		
<b>TOTAL INVESTMENTS</b>			<b>12,591,747</b>	<b>93.03</b>		
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>			<b>943,385</b>	<b>6.97</b>		
<b>TOTAL NET ASSETS</b>			<b>13,535,132</b>	<b>100.00</b>		

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>				<b>SOUTH KOREA</b>			
<b>EQUITIES</b>				<b>INDONESIA</b>			
<b>CHINA/HONG KONG</b>				<b>INDONESIA</b>			
Mintch Group, Ltd.	4,278,000	17,230,951	4.38	PT United Tractors	3,852,300	7,655,837	1.95
Shenzhou International Group Holdings, Ltd.	1,955,000	12,339,307	3.13	PT Cikarang Listrindo	37,350,700	3,643,834	0.92
Sands China, Ltd.	2,082,000	9,646,637	2.45	PT Hanjaya Mandala Sampoerna	10,457,800	3,062,633	0.78
China Petroleum & Chemical Corp. H Shares	11,686,000	9,475,065	2.41			<b>14,362,304</b>	<b>3.65</b>
HSBC Holdings, PLC	1,081,200	8,807,665	2.23	<b>TAIWAN</b>			
Kweichow Moutai Co., Ltd. A Shares	142,345	7,997,908	2.03	Taiwan Semiconductor Manufacturing Co., Ltd. ADR	263,139	8,671,793	2.20
China Construction Bank Corp. H Shares	9,840,000	7,915,016	2.01	St. Shine Optical Co., Ltd.	140,000	2,837,854	0.72
China Mobile, Ltd. ADR	114,242	6,282,482	1.59			<b>11,509,647</b>	<b>2.92</b>
China Gas Holdings, Ltd.	3,710,000	5,977,633	1.52	<b>THAILAND</b>			
Fuyao Glass Industry Group Co., Ltd. H Shares	1,594,800	5,530,394	1.40	Thai Beverage Public Co., Ltd.	9,715,300	6,535,667	1.66
Yuexiu Transport Infrastructure, Ltd.	7,022,000	5,431,598	1.38			<b>6,535,667</b>	<b>1.66</b>
Far East Horizon, Ltd.	5,181,000	4,866,398	1.24	<b>AUSTRALIA</b>			
Café de Coral Holdings, Ltd.	1,328,000	4,349,476	1.10	Breville Group, Ltd.	816,752	6,449,806	1.64
Dairy Farm International Holdings, Ltd.	439,600	3,991,568	1.01			<b>6,449,806</b>	<b>1.64</b>
HKBN, Ltd.	3,428,635	3,829,354	0.97	<b>VIETNAM</b>			
Henan Shuanghui Investment & Development Co., Ltd. A Shares	992,900	3,248,773	0.82	Vietnam Dairy Products JSC	892,580	5,621,038	1.43
PICC Property & Casualty Co., Ltd. H Shares	1,768,000	2,725,904	0.69			<b>5,621,038</b>	<b>1.43</b>
HSBC Holdings, PLC ADR	65,500	2,675,603	0.68				
Jiangsu Expressway Co., Ltd. H Shares	1,680,000	2,412,842	0.61				
China Conch Venture Holdings, Ltd.	1,008,000	1,979,736	0.50				
China Petroleum & Chemical Corp. ADR	11,800	968,026	0.25				
		<b>127,682,336</b>	<b>32.40</b>				
<b>JAPAN</b>							
ITOCHU Corp.	906,700	12,856,823	3.26				
Mitsubishi UFJ Financial Group, Inc.	1,826,400	11,477,295	2.91				
Sumitomo Mitsui Financial Group, Inc.	291,600	10,585,708	2.69				
Hoya Corp.	160,100	7,696,072	1.95				
Japan Tobacco, Inc.	233,100	7,554,692	1.92				
Pigeon Corp.	226,800	7,228,986	1.83				
Seven & I Holdings Co., Ltd.	163,400	6,386,168	1.62				
Skylark Co., Ltd.	432,000	6,307,061	1.60				
MISUMI Group, Inc.	349,700	6,304,926	1.60				
Kao Corp.	111,400	6,090,163	1.55				
Seven Bank, Ltd.	1,778,300	5,798,803	1.47				
NTT DoCoMo, Inc.	244,000	5,671,033	1.44				
Suntory Beverage & Food, Ltd.	123,000	5,166,251	1.31				
Mitsubishi Pencil Co., Ltd.	102,500	5,126,435	1.30				
Kyushu Railway Co.	160,900	4,928,481	1.25				
Anritsu Corp.	546,100	4,119,088	1.05				
Fuji Seal International, Inc.	41,100	886,618	0.23				
		<b>114,184,603</b>	<b>28.98</b>				

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments* (continued)**EQUITIES (CONTINUED)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>LUXEMBOURG</b>			
L'Occitane International SA	2,752,500	5,603,829	1.42
		<b>5,603,829</b>	<b>1.42</b>
<b>PHILIPPINES</b>			
Globe Telecom, Inc.	108,525	4,395,073	1.12
		<b>4,395,073</b>	<b>1.12</b>
<b>TOTAL EQUITIES</b>		<b>392,156,206</b>	<b>99.54</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>		<b>392,156,206</b>	<b>99.54</b>
<b>TOTAL INVESTMENTS</b>		<b>392,156,206</b>	<b>99.54</b>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>1,795,082</b>	<b>0.46</b>
<b>TOTAL NET ASSETS</b>		<b>393,951,288</b>	<b>100.00</b>

Country Allocation	% of Net Assets
China/Hong Kong	32.40
Japan	28.98
South Korea	10.77
Singapore	8.53
India	5.02
Indonesia	3.65
Taiwan	2.92
Thailand	1.66
Australia	1.64
Vietnam	1.43
Luxembourg	1.42
Philippines	1.12
<b>Total Investments</b>	<b>99.54</b>
Cash and Other Assets, Less Liabilities	0.46
<b>Total</b>	<b>100.00</b>

A Shares: Shares traded through the Shanghai-Hong Kong Stock Connect program

ADR: American Depositary Receipt

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

Pfd: Preferred shares

REIT: Real Estate Investment Trust

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>				<b>INDIA</b>			
<b>EQUITIES</b>				<b>INDIA</b>			
<b>CHINA/HONG KONG</b>				<b>INDIA</b>			
Mintch Group, Ltd.	10,000	40,279	3.23	ITC, Ltd.	9,509	41,046	3.31
Dairy Farm International Holdings, Ltd.	3,800	34,504	2.77	Shriram City Union Finance, Ltd.	822	29,871	2.40
Kweichow Moutai Co., Ltd. A Shares	600	33,637	2.70	Gujarat Pipavav Port, Ltd.	10,882	27,668	2.22
HSBC Holdings, PLC	4,000	32,585	2.62	Bharti Infratel, Ltd.	5,383	27,017	2.17
Guangdong Provincial Expressway Development Co., Ltd. B Shares	42,600	31,197	2.51			<b>125,602</b>	<b>10.10</b>
China Petroleum & Chemical Corp. H Shares	36,000	29,189	2.35	<b>TAIWAN</b>			
China Gas Holdings, Ltd.	18,000	29,002	2.33	Taiwan Semiconductor Manufacturing Co., Ltd.	6,000	37,376	3.01
Qingdao Port International Co., Ltd. H Shares	51,000	28,494	2.29	Sporton International, Inc.	4,000	23,531	1.89
HKBN, Ltd.	24,500	27,363	2.20	Tehmag Foods Corp.	3,000	23,432	1.88
Fuyao Glass Industry Group Co., Ltd. A Shares	8,100	26,633	2.14			<b>84,339</b>	<b>6.78</b>
Hangzhou Hikvision Digital Technology Co., Ltd. A Shares	5,600	25,921	2.08	<b>SINGAPORE</b>			
SITC International Holdings Co., Ltd.	36,000	24,740	1.99	United Overseas Bank, Ltd.	2,500	39,570	3.19
China Conch Venture Holdings, Ltd.	11,500	22,586	1.82	CapitaLand, Ltd.	11,800	30,661	2.46
Sands China, Ltd.	4,800	22,240	1.79			<b>70,231</b>	<b>5.65</b>
China Mobile, Ltd.	2,000	21,892	1.76	<b>INDONESIA</b>			
China Construction Bank Corp. H Shares	22,000	17,696	1.42	PT Cikarang Listrindo	293,200	28,604	2.30
		<b>447,958</b>	<b>36.00</b>	PT United Tractors	13,500	26,829	2.16
						<b>55,433</b>	<b>4.46</b>
<b>SOUTH KOREA</b>				<b>BANGLADESH</b>			
Samsung Electronics Co., Ltd., Pfd.	32	45,871	3.68	GrameenPhone, Ltd.	6,015	24,903	2.00
LG Chem, Ltd., Pfd.	253	43,061	3.45			<b>24,903</b>	<b>2.00</b>
Koh Young Technology, Inc.	693	31,790	2.56	<b>SRI LANKA</b>			
BGF Retail Co., Ltd.	338	31,736	2.55	Teejay Lanka, PLC	98,012	23,839	1.92
LIG Nex1 Co., Ltd.	384	26,955	2.17			<b>23,839</b>	<b>1.92</b>
LEENO Industrial, Inc.	670	25,073	2.02	<b>PHILIPPINES</b>			
		<b>204,486</b>	<b>16.43</b>	Globe Telecom, Inc.	540	21,869	1.76
						<b>21,869</b>	<b>1.76</b>
<b>VIETNAM</b>				<b>TOTAL EQUITIES</b>			
Mobile World Investment Corp.	4,720	34,909	2.80			<b>1,224,389</b>	<b>98.42</b>
Taisun Int'l Holding Corp.	6,000	29,265	2.35	<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>			
Binh Minh Plastics JSC	3,110	28,114	2.26			<b>1,224,389</b>	<b>98.42</b>
Vinh Hoan Corp.	10,900	25,963	2.09	<b>TOTAL INVESTMENTS</b>			
Thien Long Group Corp.	5,350	25,134	2.02			<b>1,224,389</b>	<b>98.42</b>
Vietnam Dairy Products JSC	3,548	22,344	1.80	<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>			
		<b>165,729</b>	<b>13.32</b>			<b>19,608</b>	<b>1.58</b>
				<b>TOTAL NET ASSETS</b>			
						<b>1,243,997</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

A Shares: Shares traded through the Shanghai-Hong Kong Stock Connect program

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both China and non-Chinese investors

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

Pfd: Preferred shares

*Schedule of Investments* (continued)

Country Allocation	% of Net Assets
China/Hong Kong	36.00
South Korea	16.43
Vietnam	13.32
India	10.10
Taiwan	6.78
Singapore	5.65
Indonesia	4.46
Bangladesh	2.00
Sri Lanka	1.92
Philippines	1.76
<b>Total Investments</b>	<b>98.42</b>
Cash and Other Assets, Less Liabilities	1.58
<b>Total</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
<b>Auto Components</b>			
Minth Group, Ltd.	28,000	112,779	2.29
Weifu High-Technology Group Co., Ltd. B Shares	40,048	91,378	1.86
Xingda International Holdings, Ltd.	56,000	24,504	0.50
		<b>228,661</b>	<b>4.65</b>
<b>Hotels, Restaurants &amp; Leisure</b>			
China International Travel Service Corp., Ltd. A Shares	13,400	110,477	2.25
Shanghai Jin Jiang International Hotels Group Co., Ltd. H Shares	268,000	70,700	1.44
		<b>181,177</b>	<b>3.69</b>
<b>Specialty Retail</b>			
Chow Tai Fook Jewellery Group, Ltd.	148,600	144,411	2.93
		<b>144,411</b>	<b>2.93</b>
<b>Diversified Consumer Services</b>			
China Maple Leaf Educational Systems, Ltd.	150,000	113,140	2.29
		<b>113,140</b>	<b>2.29</b>
<b>Textiles, Apparel &amp; Luxury Goods</b>			
Shenzhou International Group Holdings, Ltd.	14,000	88,363	1.80
		<b>88,363</b>	<b>1.80</b>
<b>Household Durables</b>			
Wuxi Little Swan Co., Ltd. B Shares	6,200	24,735	0.50
		<b>24,735</b>	<b>0.50</b>
<b>Total Consumer Discretionary</b>		<b>780,487</b>	<b>15.86</b>
<b>FINANCIALS</b>			
<b>Banks</b>			
HSBC Holdings, PLC	24,400	198,767	4.04
Bank of China, Ltd. H Shares	309,000	153,504	3.12
Dah Sing Financial Holdings, Ltd.	10,400	79,231	1.61
		<b>431,502</b>	<b>8.77</b>
<b>Insurance</b>			
PICC Property & Casualty Co., Ltd. H Shares	94,000	144,929	2.95
AIA Group, Ltd.	7,600	47,923	0.97
		<b>192,852</b>	<b>3.92</b>
<b>Capital Markets</b>			
China Everbright, Ltd.	72,000	145,285	2.95
		<b>145,285</b>	<b>2.95</b>
<b>Total Financials</b>		<b>769,639</b>	<b>15.64</b>

Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>INFORMATION TECHNOLOGY</b>			
<b>Internet Software &amp; Services</b>			
Tencent Holdings, Ltd.	9,100	260,949	5.31
NetEase, Inc. ADR	400	112,531	2.28
		<b>373,480</b>	<b>7.59</b>
<b>Electronic Equipment, Instruments &amp; Components</b>			
Hangzhou Hikvision Digital Technology Co., Ltd. A Shares	23,500	108,774	2.21
Aurora Corp.	40,000	78,965	1.61
		<b>187,739</b>	<b>3.82</b>
<b>IT Services</b>			
TravelSky Technology, Ltd. H Shares	43,000	101,600	2.07
		<b>101,600</b>	<b>2.07</b>
<b>Software</b>			
IGG, Inc.	47,000	65,201	1.33
		<b>65,201</b>	<b>1.33</b>
<b>Total Information Technology</b>		<b>728,020</b>	<b>14.81</b>
<b>INDUSTRIALS</b>			
<b>Transportation Infrastructure</b>			
Guangdong Provincial Expressway Development Co., Ltd. B Shares	193,499	141,704	2.87
Qingdao Port International Co., Ltd. H Shares	152,000	84,924	1.73
		<b>226,628</b>	<b>4.60</b>
<b>Marine</b>			
SITC International Holdings Co., Ltd.	186,000	127,822	2.60
		<b>127,822</b>	<b>2.60</b>
<b>Construction &amp; Engineering</b>			
China Machinery Engineering Corp. H Shares	167,000	122,496	2.48
		<b>122,496</b>	<b>2.48</b>
<b>Machinery</b>			
China Conch Venture Holdings, Ltd.	49,000	96,237	1.96
		<b>96,237</b>	<b>1.96</b>
<b>Road &amp; Rail</b>			
Guangshen Railway Co., Ltd. H Shares	142,000	85,901	1.75
Guangshen Railway Co., Ltd. ADR	300	9,119	0.19
		<b>95,020</b>	<b>1.94</b>
<b>Professional Services</b>			
Sporton International, Inc.	8,000	47,063	0.96
		<b>47,063</b>	<b>0.96</b>
<b>Total Industrials</b>		<b>715,266</b>	<b>14.54</b>

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments (continued)***EQUITIES (CONTINUED)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>TELECOMMUNICATION SERVICES</b>			
<b>Diversified Telecommunication Services</b>			
HKBN, Ltd.	136,258	152,183	3.09
CITIC Telecom International Holdings, Ltd.	398,000	120,871	2.46
		<b>273,054</b>	<b>5.55</b>
<b>Wireless Telecommunication Services</b>			
China Mobile, Ltd. ADR	2,900	159,479	3.24
		<b>159,479</b>	<b>3.24</b>
<b>Total Telecommunication Services</b>		<b>432,533</b>	<b>8.79</b>
<b>CONSUMER STAPLES</b>			
<b>Food Products</b>			
Henan Shuanghui Investment & Development Co., Ltd. A Shares	31,000	101,432	2.06
WH Group, Ltd.	115,000	99,159	2.02
		<b>200,591</b>	<b>4.08</b>
<b>Food &amp; Staples Retailing</b>			
Taiwan FamilyMart Co., Ltd.	11,000	72,856	1.48
Shanghai Bailian Group Co., Ltd. B Shares	39,500	58,302	1.19
		<b>131,158</b>	<b>2.67</b>
<b>Beverages</b>			
Kweichow Moutai Co., Ltd. A Shares	1,700	95,518	1.94
		<b>95,518</b>	<b>1.94</b>
<b>Total Consumer Staples</b>		<b>427,267</b>	<b>8.69</b>
<b>HEALTH CARE</b>			
<b>Pharmaceuticals</b>			
Luye Pharma Group, Ltd.	152,000	91,925	1.87
China Medical System Holdings, Ltd.	29,000	51,437	1.05
		<b>143,362</b>	<b>2.92</b>
<b>Health Care Equipment &amp; Supplies</b>			
Shandong Weigao Group Medical Polymer Co., Ltd. H Shares	152,000	108,760	2.20
		<b>108,760</b>	<b>2.20</b>
<b>Health Care Providers &amp; Services</b>			
China National Accord Medicines Corp., Ltd. B Shares	15,100	88,981	1.81
		<b>88,981</b>	<b>1.81</b>
<b>Total Health Care</b>		<b>341,103</b>	<b>6.93</b>
<b>REAL ESTATE</b>			
<b>Real Estate Management &amp; Development</b>			
Red Star Macalline Group Corp., Ltd. H Shares	112,200	124,466	2.52
		<b>124,466</b>	<b>2.52</b>
<b>Equity Real Estate Investment Trusts (REITs)</b>			
CapitaLand Retail China Trust, REIT	83,940	88,914	1.81
		<b>88,914</b>	<b>1.81</b>
<b>Total Real Estate</b>		<b>213,380</b>	<b>4.33</b>

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>ENERGY</b>			
<b>Oil, Gas &amp; Consumable Fuels</b>			
China Petroleum & Chemical Corp. H Shares	192,000	155,675	3.17
		<b>155,675</b>	<b>3.17</b>
<b>Energy Equipment &amp; Services</b>			
Hilong Holding, Ltd.	88,000	19,255	0.39
		<b>19,255</b>	<b>0.39</b>
<b>Total Energy</b>		<b>174,930</b>	<b>3.56</b>
<b>UTILITIES</b>			
<b>Gas Utilities</b>			
China Gas Holdings, Ltd.	76,000	122,453	2.49
		<b>122,453</b>	<b>2.49</b>
<b>Total Utilities</b>		<b>122,453</b>	<b>2.49</b>
<b>MATERIALS</b>			
<b>Containers &amp; Packaging</b>			
Greatview Aseptic Packaging Co., Ltd.	176,000	88,109	1.79
		<b>88,109</b>	<b>1.79</b>
<b>Total Materials</b>		<b>88,109</b>	<b>1.79</b>
<b>TOTAL EQUITIES</b>		<b>4,793,187</b>	<b>97.43</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>			
		<b>4,793,187</b>	<b>97.43</b>
<b>TOTAL INVESTMENTS</b>		<b>4,793,187</b>	<b>97.43</b>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>126,519</b>	<b>2.57</b>
<b>TOTAL NET ASSETS</b>		<b>4,919,706</b>	<b>100.00</b>

A Shares: Shares traded through the Shanghai-Hong Kong Stock Connect program

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both China and non-Chinese investors

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

REIT: Real Estate Investment Trust

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments* (continued)

Sector Allocation	% of Net Assets
Consumer Discretionary	15.86
Financials	15.64
Information Technology	14.81
Industrials	14.54
Telecommunication Services	8.79
Consumer Staples	8.69
Health Care	6.93
Real Estate	4.33
Energy	3.56
Utilities	2.49
Materials	1.79
<b>Total Investments</b>	<b>97.43</b>
Cash and Other Assets, Less Liabilities	2.57
<b>Total</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments

	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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Transferable securities and money market instruments admitted to an official exchange listing

## EQUITIES

## CHINA/HONG KONG

Alia Group, Ltd.	11,000	69,362	6.91
Tencent Holdings, Ltd.	1,800	51,615	5.13
Techtronic Industries Co., Ltd.	9,000	36,428	3.63
Jardine Matheson Holdings, Ltd.	500	32,125	3.20
CK Hutchison Holdings, Ltd.	2,552	31,397	3.13
Samsonite International SA	8,100	29,490	2.94
China Mobile, Ltd.	2,500	27,365	2.72
HSBC Holdings, PLC	3,200	26,068	2.60
Hang Lung Group, Ltd.	5,000	21,331	2.12
Baidu, Inc. ADR	100	17,170	1.71
		<b>342,351</b>	<b>34.09</b>

## SOUTH KOREA

Samsung Electronics Co., Ltd.	22	40,526	4.04
Kangwon Land, Inc.	1,018	34,798	3.46
Coway Co., Ltd.	368	31,682	3.15
LG Household & Health Care, Ltd.	43	31,198	3.11
		<b>138,204</b>	<b>13.76</b>

## SINGAPORE

Singapore Telecommunications, Ltd.	14,000	39,280	3.91
Sheng Siong Group, Ltd.	39,700	26,852	2.67
Vicom, Ltd.	6,400	26,522	2.64
United Overseas Bank, Ltd.	1,400	22,160	2.21
		<b>114,814</b>	<b>11.43</b>

## TAIWAN

Taiwan Semiconductor Manufacturing Co., Ltd.	6,000	37,376	3.72
Ennoconn Corp.	2,000	26,135	2.60
Aerospace Industrial Development Corp.	20,000	25,297	2.52
		<b>88,808</b>	<b>8.84</b>

## MALAYSIA

Genting Malaysia BHD	24,500	30,169	3.00
Heineken Malaysia BHD	6,700	27,100	2.70
		<b>57,269</b>	<b>5.70</b>

## INDIA

Tata Motors, Ltd. ADR	800	28,521	2.84
Bharti Infratel, Ltd.	4,086	20,507	2.04
		<b>49,028</b>	<b>4.88</b>

Investments

	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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## INDONESIA

PT Bank Rakyat Indonesia Persero	37,300	36,324	3.62
		<b>36,324</b>	<b>3.62</b>

## UNITED STATES

ResMed, Inc.	400	28,558	2.84
		<b>28,558</b>	<b>2.84</b>

## THAILAND

Kasikornbank Public Co., Ltd.	4,900	26,947	2.68
		<b>26,947</b>	<b>2.68</b>

## SWITZERLAND

Cie Financiere Richemont SA	342	26,741	2.66
		<b>26,741</b>	<b>2.66</b>

## JAPAN

Japan Tobacco, Inc.	800	25,928	2.58
		<b>25,928</b>	<b>2.58</b>

## AUSTRALIA

Insurance Australia Group, Ltd.	4,551	21,027	2.09
		<b>21,027</b>	<b>2.09</b>

## TOTAL EQUITIES

**955,999 95.17**

## TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING

**955,999 95.17**

Other transferable securities and money market instruments

## EQUITIES

## SINGAPORE

United Overseas Bank, Ltd. ADR	300	9,458	0.94
		<b>9,458</b>	<b>0.94</b>

## TOTAL EQUITIES

**9,458 0.94**

## TOTAL OTHER TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

**9,458 0.94**

## TOTAL INVESTMENTS

**965,457 96.11**

## CASH AND OTHER ASSETS, LESS LIABILITIES

**39,069 3.89**

## TOTAL NET ASSETS

**1,004,526 100.00**

ADR: American Depositary Receipt

BHD: Berhad

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments* (continued)

Country Allocation	% of Net Assets
China/Hong Kong	34.09
South Korea	13.76
Singapore	12.37
Taiwan	8.84
Malaysia	5.70
India	4.88
Indonesia	3.62
United States	2.84
Thailand	2.68
Switzerland	2.66
Japan	2.58
Australia	2.09
<b>Total Investments</b>	<b>96.11</b>
Cash and Other Assets, Less Liabilities	3.89
<b>Total</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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Transferable securities and money market instruments admitted to an official exchange listing

## EQUITIES

## CHINA/HONG KONG

Baidu, Inc. ADR	68,970	11,841,807	2.93
Ping An Insurance Group Co. of China, Ltd. H Shares	2,042,500	11,434,510	2.84
Tencent Holdings, Ltd.	341,300	9,787,025	2.43
China Mobile, Ltd. ADR	162,195	8,919,551	2.21
China Resources Beer Holdings Co., Ltd.	3,831,086	8,716,762	2.16
Alibaba Group Holding, Ltd. ADR	79,600	8,637,496	2.14
AIA Group, Ltd.	1,360,600	8,579,542	2.13
Hengan International Group Co., Ltd.	1,089,500	8,104,125	2.01
Sinopharm Group Co., Ltd. H Shares	1,737,600	8,060,182	2.00
China Resources Land, Ltd.	2,799,111	7,565,147	1.88
Dairy Farm International Holdings, Ltd.	818,300	7,430,164	1.84
Inner Mongolia Yili Industrial Group Co., Ltd. A Shares	2,128,419	5,853,779	1.45
Fuyao Glass Industry Group Co., Ltd. H Shares	1,679,200	5,823,074	1.44
Tasly Pharmaceutical Group Co., Ltd. A Shares	818,387	4,754,743	1.18
Lenovo Group, Ltd.	5,796,000	3,818,684	0.95
Hong Kong Exchanges & Clearing, Ltd.	131,800	3,317,666	0.82
Shandong Weigao Group Medical Polymer Co., Ltd. H Shares	3,040,000	2,175,201	0.54
		<b>124,819,458</b>	<b>30.95</b>

## INDIA

Kotak Mahindra Bank, Ltd.	909,230	12,212,679	3.02
The Tata Power Co., Ltd.	8,564,620	11,916,738	2.95
GAIL India, Ltd.	1,477,694	8,578,066	2.13
Titan Co., Ltd.	1,107,422	7,891,885	1.96
Sun Pharmaceutical Industries, Ltd.	735,666	7,796,236	1.93
ITC, Ltd.	1,567,830	6,767,733	1.68
Housing Development Finance Corp., Ltd.	262,347	6,068,706	1.50
Container Corp. of India, Ltd.	307,632	6,034,202	1.50
Thermax, Ltd.	371,105	5,600,437	1.39
Dabur India, Ltd.	1,256,830	5,368,165	1.33
HDFC Bank, Ltd.	164,599	3,656,615	0.91
Just Dial, Ltd.	312,807	2,541,331	0.63
		<b>84,432,793</b>	<b>20.93</b>

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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## SOUTH KOREA

Dongbu Insurance Co., Ltd.	175,096	10,024,434	2.49
Samsung Electronics Co., Ltd.	5,188	9,556,720	2.37
Naver Corp.	11,941	9,129,531	2.26
Orion Corp.	14,244	8,536,281	2.12
Cheil Worldwide, Inc.	368,670	6,263,731	1.55
Green Cross Corp.	43,125	6,110,426	1.51
Amorepacific Corp.	20,824	5,225,000	1.30
		<b>54,846,123</b>	<b>13.60</b>

## INDONESIA

PT Telekomunikasi Indonesia Persero	25,073,700	7,771,145	1.92
PT Bank Central Asia	5,607,300	6,965,065	1.73
PT Indofood CBP Sukses Makmur	9,486,800	5,802,215	1.44
PT Perusahaan Gas Negara Persero	23,768,300	4,512,555	1.12
PT Astra International	2,401,300	1,554,352	0.39
		<b>26,605,332</b>	<b>6.60</b>

## TAIWAN

Delta Electronics, Inc.	1,754,032	9,401,182	2.33
President Chain Store Corp.	1,035,000	8,527,643	2.11
Synnex Technology International Corp.	3,892,311	4,186,996	1.04
		<b>22,115,821</b>	<b>5.48</b>

## THAILAND

Central Pattana Public Co., Ltd.	6,024,100	9,948,859	2.46
Kasikornbank Public Co., Ltd.	1,099,000	6,043,908	1.50
The Siam Cement Public Co., Ltd.	322,600	5,069,596	1.26
		<b>21,062,363</b>	<b>5.22</b>

## MALAYSIA

IHH Healthcare BHD	4,842,500	6,564,071	1.62
Public Bank BHD	1,288,650	5,794,630	1.44
Genting BHD	2,086,200	4,520,447	1.12
		<b>16,879,148</b>	<b>4.18</b>

## SWITZERLAND

DKSH Holding AG	130,690	10,049,059	2.49
		<b>10,049,059</b>	<b>2.49</b>

## PHILIPPINES

GT Capital Holdings, Inc.	238,305	5,438,151	1.35
SM Prime Holdings, Inc.	7,369,575	4,156,631	1.03
		<b>9,594,782</b>	<b>2.38</b>

## VIETNAM

Vietnam Dairy Products JSC	1,348,195	8,490,281	2.11
		<b>8,490,281</b>	<b>2.11</b>

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments (continued)***EQUITIES (CONTINUED)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>UNITED STATES</b>			
Cognizant Technology Solutions Corp. Class A	112,000	6,614,883	1.64
Yum! Brands, Inc.	53,200	3,399,686	0.84
Yum China Holdings, Inc.	53,200	1,408,976	0.35
		<b>11,423,545</b>	<b>2.83</b>
<b>JAPAN</b>			
LINE Corp. ADR	10,600	402,164	0.10
		<b>402,164</b>	<b>0.10</b>
<b>TOTAL EQUITIES</b>		<b>390,720,869</b>	<b>96.87</b>

**WARRANTS**

<b>MALAYSIA</b>			
Genting BHD, expires 12/18/2018	93,950	33,330	0.01
		<b>33,330</b>	<b>0.01</b>
<b>TOTAL WARRANTS</b>		<b>33,330</b>	<b>0.01</b>

<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>		<b>390,754,199</b>	<b>96.88</b>
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<b>TOTAL INVESTMENTS</b>		<b>390,754,199</b>	<b>96.88</b>
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<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>12,578,955</b>	<b>3.12</b>
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<b>TOTAL NET ASSETS</b>		<b>403,333,154</b>	<b>100.00</b>
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Country Allocation	% of Net Assets
China/Hong Kong	30.95
India	20.93
South Korea	13.60
Indonesia	6.60
Taiwan	5.48
Thailand	5.22
Malaysia	4.19
Switzerland	2.49
Philippines	2.38
Vietnam	2.11
United States	2.83
Japan	0.10
<b>Total Investments</b>	<b>96.88</b>
Cash and Other Assets, Less Liabilities	3.12
<b>Total</b>	<b>100.00</b>

A Shares: Shares traded through the Shanghai-Hong Kong Stock Connect program

ADR: American Depositary Receipt

BHD: Berhad

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>				<b>CONSUMER DISCRETIONARY</b>			
<b>EQUITIES</b>				<b>Household Durables</b>			
<b>FINANCIALS</b>				Gree Electric Appliances, Inc. of Zhuhai A Shares			
<b>Banks</b>				Midea Group Co., Ltd. A Shares			
China Construction Bank Corp. H Shares	1,431,340	1,151,329	7.01		75,300	346,416	2.11
China Merchants Bank Co., Ltd. H Shares	222,110	587,424	3.58		68,500	331,259	2.02
Industrial & Commercial Bank of China, Ltd. H Shares	875,000	572,065	3.48			<b>677,675</b>	<b>4.13</b>
Chongqing Rural Commercial Bank Co., Ltd. H Shares	417,000	281,721	1.72	<b>Internet &amp; Direct Marketing Retail</b>			
Bank of China, Ltd. H Shares	524,000	260,309	1.59	Ctrip.com International, Ltd. ADR	8,300	411,204	2.51
		<b>2,852,848</b>	<b>17.38</b>	JD.com, Inc. ADR	7,900	248,359	1.51
<b>Insurance</b>						<b>659,563</b>	<b>4.02</b>
China Life Insurance Co., Ltd. H Shares	398,000	1,221,553	7.45	<b>Auto Components</b>			
Ping An Insurance Group Co. of China, Ltd. H Shares	162,000	906,923	5.52	Fuyao Glass Industry Group Co., Ltd. A Shares	55,841	183,608	1.12
		<b>2,128,476</b>	<b>12.97</b>	Nexteer Automotive Group, Ltd.	114,000	168,083	1.02
<b>Capital Markets</b>				Xinyi Glass Holdings, Ltd.	186,000	163,680	1.00
CITIC Securities Co., Ltd. H Shares	305,000	628,050	3.82			<b>515,371</b>	<b>3.14</b>
		<b>628,050</b>	<b>3.82</b>	<b>Automobiles</b>			
<b>Total Financials</b>		<b>5,609,374</b>	<b>34.17</b>	Brilliance China Automotive Holdings, Ltd.	120,000	200,767	1.22
<b>INFORMATION TECHNOLOGY</b>				Chongqing Changan Automobile Co., Ltd. B Shares	109,181	151,752	0.92
<b>Internet Software &amp; Services</b>						<b>352,519</b>	<b>2.14</b>
Tencent Holdings, Ltd.	55,900	1,602,972	9.75	<b>Total Consumer Discretionary</b>		<b>2,205,128</b>	<b>13.43</b>
Alibaba Group Holding, Ltd. ADR	7,600	824,686	5.02	<b>INDUSTRIALS</b>			
NetEase, Inc. ADR	2,150	604,853	3.68	<b>Construction &amp; Engineering</b>			
SINA Corp.	6,400	464,294	2.83	China State Construction International Holdings, Ltd.	212,000	379,254	2.32
Baozun, Inc. ADR	17,000	248,849	1.52	China Railway Construction Corp., Ltd. H Shares	195,000	276,567	1.68
Baidu, Inc. ADR	900	154,526	0.94			<b>655,821</b>	<b>4.00</b>
		<b>3,900,180</b>	<b>23.74</b>	<b>Commercial Services &amp; Supplies</b>			
<b>Communications Equipment</b>				China Everbright International, Ltd.	271,000	364,779	2.22
ZTE Corp. H Shares	130,600	239,604	1.46			<b>364,779</b>	<b>2.22</b>
		<b>239,604</b>	<b>1.46</b>	<b>Total Industrials</b>		<b>1,020,600</b>	<b>6.22</b>
<b>Semiconductors &amp; Semiconductor Equipment</b>				<b>ENERGY</b>			
Semiconductor Manufacturing International Corp.	73,800	91,356	0.56	<b>Oil, Gas &amp; Consumable Fuels</b>			
		<b>91,356</b>	<b>0.56</b>	China Petroleum & Chemical Corp. H Shares	540,000	437,835	2.66
<b>IT Services</b>				Yanzhou Coal Mining Co., Ltd. H Shares	318,000	247,229	1.51
Chinasoft International, Ltd.	144,000	82,824	0.50	China Shenhua Energy Co., Ltd. H Shares	101,500	235,634	1.44
		<b>82,824</b>	<b>0.50</b>			<b>920,698</b>	<b>5.61</b>
<b>Total Information Technology</b>		<b>4,313,964</b>	<b>26.26</b>	<b>Total Energy</b>		<b>920,698</b>	<b>5.61</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments (continued)

## EQUITIES (CONTINUED)

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>MATERIALS</b>			
<b>Construction Materials</b>			
China National Materials Co., Ltd. H Shares	1,009,000	332,415	2.02
China National Building Material Co., Ltd. H Shares	226,000	145,415	0.89
Anhui Conch Cement Co., Ltd. H Shares	32,500	110,367	0.67
		<b>588,197</b>	<b>3.58</b>
<b>Metals &amp; Mining</b>			
MMG, Ltd.	332,000	123,891	0.75
		<b>123,891</b>	<b>0.75</b>
<b>Total Materials</b>		<b>712,088</b>	<b>4.33</b>
<b>REAL ESTATE</b>			
<b>Real Estate Management &amp; Development</b>			
China Resources Land, Ltd.	86,666	234,232	1.43
China Overseas Land & Investment, Ltd.	52,000	148,552	0.90
KWG Property Holding, Ltd.	109,500	79,358	0.48
		<b>462,142</b>	<b>2.81</b>
<b>Total Real Estate</b>		<b>462,142</b>	<b>2.81</b>
<b>UTILITIES</b>			
<b>Water Utilities</b>			
Beijing Enterprises Water Group, Ltd.	594,000	440,243	2.68
		<b>440,243</b>	<b>2.68</b>
<b>Total Utilities</b>		<b>440,243</b>	<b>2.68</b>
<b>CONSUMER STAPLES</b>			
<b>Beverages</b>			
Wuliangye Yibin Co., Ltd. A Shares	39,000	243,313	1.48
		<b>243,313</b>	<b>1.48</b>
<b>Food Products</b>			
WH Group, Ltd.	102,500	88,381	0.54
		<b>88,381</b>	<b>0.54</b>
<b>Total Consumer Staples</b>		<b>331,694</b>	<b>2.02</b>
<b>TELECOMMUNICATION SERVICES</b>			
<b>Diversified Telecommunication Services</b>			
China Unicom Hong Kong, Ltd.	132,000	176,641	1.08
		<b>176,641</b>	<b>1.08</b>
<b>Total Telecommunication Services</b>		<b>176,641</b>	<b>1.08</b>

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>HEALTH CARE</b>			
<b>Pharmaceuticals</b>			
Sino Biopharmaceutical, Ltd.	121,000	99,661	0.61
		<b>99,661</b>	<b>0.61</b>
<b>Total Health Care</b>		<b>99,661</b>	<b>0.61</b>
<b>TOTAL EQUITIES</b>		<b>16,292,233</b>	<b>99.22</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>			
		<b>16,292,233</b>	<b>99.22</b>
<b>TOTAL INVESTMENTS</b>		<b>16,292,233</b>	<b>99.22</b>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>128,083</b>	<b>0.78</b>
<b>TOTAL NET ASSETS</b>		<b>16,420,316</b>	<b>100.00</b>

A Shares: Shares traded through the Shanghai-Hong Kong Stock Connect program

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both China and non-Chinese investors

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

Sector Allocation	% of Net Assets
Financials	34.17
Information Technology	26.26
Consumer Discretionary	13.43
Industrials	6.22
Energy	5.61
Materials	4.33
Real Estate	2.81
Utilities	2.68
Consumer Staples	2.02
Telecommunication Services	1.08
Health Care	0.61
<b>Total Investments</b>	<b>99.22</b>
Cash and Other Assets, Less Liabilities	0.78
<b>Total</b>	<b>100.00</b>

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>				<b>HEALTH CARE</b>			
<b>EQUITIES</b>				<b>Pharmaceuticals</b>			
<b>FINANCIALS</b>				Taro Pharmaceutical Industries, Ltd.			
<b>Banks</b>				Ajanta Pharma, Ltd.			
IndusInd Bank, Ltd.	300,425	6,593,527	5.24	Alembic Pharmaceuticals, Ltd.			
Kotak Mahindra Bank, Ltd.	440,188	5,912,558	4.71	Caplin Point Laboratories, Ltd.			
HDFC Bank, Ltd.	265,684	5,902,248	4.70	Sun Pharma Advanced Research Co., Ltd.			
DCB Bank, Ltd.	888,757	2,330,190	1.86	Sun Pharmaceutical Industries, Ltd.			
Yes Bank, Ltd.	61,000	1,453,018	1.16	<b>15,927,408 12.69</b>			
IDFC Bank, Ltd.	547,186	499,702	0.40	<b>Health Care Equipment &amp; Supplies</b>			
		<b>22,691,243</b>	<b>18.07</b>	Poly Medicare, Ltd.			
<b>Consumer Finance</b>				280,666 1,173,710 0.93			
Shriram City Union Finance, Ltd.	117,897	4,284,308	3.41	<b>1,173,710 0.93</b>			
Bharat Financial Inclusion, Ltd.	222,272	2,767,147	2.20	<b>Total Health Care</b>			
Sundaram Finance, Ltd.	85,507	2,126,318	1.69	<b>17,101,118 13.62</b>			
Cholamandalam Investment & Finance Co., Ltd.	82,580	1,227,286	0.98	<b>INFORMATION TECHNOLOGY</b>			
		<b>10,405,059</b>	<b>8.28</b>	<b>IT Services</b>			
<b>Thrifts &amp; Mortgage Finance</b>				Cognizant Technology Solutions Corp. Class A			
Housing Development Finance Corp., Ltd.	161,617	3,738,583	2.98	97,900 5,782,116 4.60			
GRUH Finance, Ltd.	563,046	3,432,816	2.73	eClerx Services, Ltd.			
		<b>7,171,399</b>	<b>5.71</b>	141,277 3,068,780 2.44			
<b>Capital Markets</b>				Tata Consultancy Services, Ltd.			
CRISIL, Ltd.	105,093	3,082,307	2.45	61,529 2,304,246 1.84			
		<b>3,082,307</b>	<b>2.45</b>	Mindtree, Ltd.			
<b>Diversified Financial Services</b>				328,556 2,291,822 1.83			
IDFC, Ltd.	547,186	459,254	0.37	<b>13,446,964 10.71</b>			
		<b>459,254</b>	<b>0.37</b>	<b>Internet Software &amp; Services</b>			
<b>Total Financials</b>		<b>43,809,262</b>	<b>34.88</b>	Info Edge India, Ltd.			
<b>CONSUMER STAPLES</b>				200,010 2,467,822 1.97			
<b>Personal Products</b>				Just Dial, Ltd.			
Dabur India, Ltd.	773,298	3,302,906	2.63	13,147 106,810 0.09			
Emami, Ltd.	170,010	2,786,635	2.22	<b>2,574,632 2.06</b>			
Marico, Ltd.	502,881	2,283,429	1.82	<b>Total Information Technology</b>			
Bajaj Corp., Ltd.	319,363	1,942,687	1.55	<b>16,021,596 12.77</b>			
		<b>10,315,657</b>	<b>8.22</b>	<b>INDUSTRIALS</b>			
<b>Tobacco</b>				<b>Machinery</b>			
ITC, Ltd.	1,247,758	5,386,103	4.30	AIA Engineering, Ltd.			
VST Industries, Ltd.	77,773	3,435,618	2.74	177,366 4,337,116 3.45			
		<b>8,821,721</b>	<b>7.04</b>	Eicher Motors, Ltd.			
<b>Food Products</b>				Thermax, Ltd.			
Zydus Wellness, Ltd.	137,956	1,851,204	1.47	58,209 878,446 0.70			
Nestle India, Ltd.	15,802	1,625,743	1.29	Ashok Leyland, Ltd.			
		<b>3,476,947</b>	<b>2.76</b>	372,094 484,493 0.39			
<b>Total Consumer Staples</b>		<b>22,614,325</b>	<b>18.02</b>	<b>8,248,757 6.57</b>			
<b>Air Freight &amp; Logistics</b>				Blue Dart Express, Ltd.			
<b>Transportation Infrastructure</b>				27,118 2,173,073 1.73			
<b>Road &amp; Rail</b>				2,173,073 1.73			
<b>Total Industrials</b>				<b>11,799,466 9.39</b>			

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments (continued)***EQUITIES (CONTINUED)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>CONSUMER DISCRETIONARY</b>			
<b>Household Durables</b>			
Symphony, Ltd.	136,713	3,219,445	2.56
LA Opala RG, Ltd.	137,214	1,137,164	0.91
		<b>4,356,609</b>	<b>3.47</b>
<b>Textiles, Apparel &amp; Luxury Goods</b>			
Page Industries, Ltd.	8,010	1,803,536	1.44
Kewal Kiran Clothing, Ltd.	58,473	1,563,107	1.24
Titan Co., Ltd.	125,493	894,308	0.71
		<b>4,260,951</b>	<b>3.39</b>
<b>Total Consumer Discretionary</b>		<b>8,617,560</b>	<b>6.86</b>
<b>MATERIALS</b>			
<b>Chemicals</b>			
Castrol India, Ltd.	357,990	2,383,843	1.90
Asian Paints, Ltd.	77,645	1,283,621	1.02
Supreme Industries, Ltd.	74,470	1,253,094	1.00
		<b>4,920,558</b>	<b>3.92</b>
<b>Total Materials</b>		<b>4,920,558</b>	<b>3.92</b>
<b>TOTAL EQUITIES</b>		<b>124,883,885</b>	<b>99.46</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>			
		<b>124,883,885</b>	<b>99.46</b>
<b>TOTAL INVESTMENTS</b>		<b>124,883,885</b>	<b>99.46</b>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>682,293</b>	<b>0.54</b>
<b>TOTAL NET ASSETS</b>		<b>125,566,178</b>	<b>100.00</b>

Sector Allocation	% of Net Assets
Financials	34.88
Consumer Staples	18.02
Health Care	13.62
Information Technology	12.77
Industrials	9.39
Consumer Discretionary	6.86
Materials	3.92
<b>Total Investments</b>	<b>99.46</b>
Cash and Other Assets, Less Liabilities	0.54
<b>Total</b>	<b>100.00</b>

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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Transferable securities and money market instruments admitted to an official exchange listing

## EQUITIES

## INDUSTRIALS

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Machinery</b>			
SMC Corp.	8,900	2,628,840	2.01
Komatsu, Ltd.	99,600	2,593,720	1.99
Harmonic Drive Systems, Inc.	73,800	2,314,439	1.77
		<b>7,536,999</b>	<b>5.77</b>
<b>Electrical Equipment</b>			
Nidec Corp.	30,900	2,935,589	2.25
Mabuchi Motor Co., Ltd.	51,400	2,893,121	2.21
		<b>5,828,710</b>	<b>4.46</b>
<b>Trading Companies &amp; Distributors</b>			
Mitsui & Co., Ltd.	212,800	3,076,865	2.36
MISUMI Group, Inc.	149,200	2,690,005	2.05
		<b>5,766,870</b>	<b>4.41</b>
<b>Professional Services</b>			
TechnoPro Holdings, Inc.	77,000	2,964,847	2.26
Nihon M&A Center, Inc.	65,700	2,130,371	1.63
		<b>5,095,218</b>	<b>3.89</b>
<b>Building Products</b>			
Daikin Industries, Ltd.	24,800	2,489,407	1.91
Aica Kogyo Co., Ltd.	49,800	1,308,463	1.00
		<b>3,797,870</b>	<b>2.91</b>
<b>Road &amp; Rail</b>			
Kyushu Railway Co.	40,400	1,237,481	0.95
Trancom Co., Ltd.	10,000	516,192	0.40
		<b>1,753,673</b>	<b>1.35</b>
<b>Construction &amp; Engineering</b>			
Totetsu Kogyo Co., Ltd.	35,000	1,001,755	0.77
		<b>1,001,755</b>	<b>0.77</b>
<b>Total Industrials</b>		<b>30,781,095</b>	<b>23.56</b>

## CONSUMER DISCRETIONARY

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Automobiles</b>			
Suzuki Motor Corp.	83,700	3,467,643	2.65
Fuji Heavy Industries, Ltd.	40,900	1,497,619	1.15
		<b>4,965,262</b>	<b>3.80</b>
<b>Auto Components</b>			
NGK Spark Plug Co., Ltd.	94,900	2,166,929	1.66
Nifco, Inc.	33,300	1,667,479	1.28
Nippon Seiki Co., Ltd.	52,000	1,114,926	0.85
		<b>4,949,334</b>	<b>3.79</b>
<b>Specialty Retail</b>			
Nitori Holdings Co., Ltd.	25,300	3,190,546	2.44
Jin Co., Ltd.	26,600	1,382,741	1.06
		<b>4,573,287</b>	<b>3.50</b>
<b>Multiline Retail</b>			
Ryohin Keikaku Co., Ltd.	12,400	2,711,014	2.08
		<b>2,711,014</b>	<b>2.08</b>

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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## CONSUMER DISCRETIONARY (CONTINUED)

<b>Internet &amp; Direct Marketing Retail</b>			
Start Today Co., Ltd.	97,700	2,156,915	1.66
		<b>2,156,915</b>	<b>1.66</b>
<b>Hotels, Restaurants &amp; Leisure</b>			
Kyoritsu Maintenance Co., Ltd.	70,200	2,087,297	1.60
		<b>2,087,297</b>	<b>1.60</b>
<b>Distributors</b>			
Doshisha Co., Ltd.	77,400	1,428,120	1.09
		<b>1,428,120</b>	<b>1.09</b>
<b>Media</b>			
Next Co., Ltd.	155,200	1,050,620	0.80
Septeni Holdings Co., Ltd.	102,700	368,151	0.28
		<b>1,418,771</b>	<b>1.08</b>
<b>Total Consumer Discretionary</b>		<b>24,290,000</b>	<b>18.60</b>

## FINANCIALS

<b>Banks</b>			
Mitsubishi UFJ Financial Group, Inc.	749,200	4,708,054	3.60
Sumitomo Mitsui Financial Group, Inc.	88,400	3,209,111	2.46
Seven Bank, Ltd.	432,600	1,410,652	1.08
		<b>9,327,817</b>	<b>7.14</b>
<b>Insurance</b>			
Tokio Marine Holdings, Inc.	77,900	3,285,597	2.52
Dai-ichi Life Holdings, Inc.	135,500	2,427,841	1.86
		<b>5,713,438</b>	<b>4.38</b>
<b>Diversified Financial Services</b>			
ORIX Corp.	149,600	2,211,733	1.69
Financial Products Group Co., Ltd.	124,200	1,099,269	0.84
Tokyo Century Corp.	23,300	791,664	0.61
		<b>4,102,666</b>	<b>3.14</b>
<b>Total Financials</b>		<b>19,143,921</b>	<b>14.66</b>

## CONSUMER STAPLES

<b>Food &amp; Staples Retailing</b>			
Seven & I Holdings Co., Ltd.	62,700	2,450,506	1.88
San-A Co., Ltd.	40,800	1,848,767	1.42
		<b>4,299,273</b>	<b>3.30</b>
<b>Food Products</b>			
Ezaki Glico Co., Ltd.	40,200	1,944,518	1.49
Ariake Japan Co., Ltd.	22,900	1,438,209	1.10
		<b>3,382,727</b>	<b>2.59</b>
<b>Personal Products</b>			
Kao Corp.	56,300	3,077,882	2.35
		<b>3,077,882</b>	<b>2.35</b>
<b>Tobacco</b>			
Japan Tobacco, Inc.	61,900	2,006,158	1.54
		<b>2,006,158</b>	<b>1.54</b>
<b>Household Products</b>			
Pigeon Corp.	61,000	1,944,304	1.49
		<b>1,944,304</b>	<b>1.49</b>
<b>Total Consumer Staples</b>		<b>14,710,344</b>	<b>11.27</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments (continued)

## EQUITIES (CONTINUED)

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>HEALTH CARE</b>			
<b>Health Care Equipment &amp; Supplies</b>			
Hoya Corp.	57,500	2,764,048	2.12
Asahi Intecc Co., Ltd.	58,800	2,439,831	1.87
System Corp.	39,800	2,409,943	1.85
CYBERDYNE, Inc.	119,900	1,716,633	1.31
Daiken Medical Co., Ltd.	54,000	386,780	0.30
		<b>9,717,235</b>	<b>7.45</b>
<b>Health Care Technology</b>			
M3, Inc.	78,700	1,948,144	1.49
		<b>1,948,144</b>	<b>1.49</b>
<b>Biotechnology</b>			
PeptiDream, Inc.	15,900	747,490	0.57
		<b>747,490</b>	<b>0.57</b>
<b>Total Health Care</b>		<b>12,412,869</b>	<b>9.51</b>
<b>INFORMATION TECHNOLOGY</b>			
<b>Electronic Equipment, Instruments &amp; Components</b>			
Murata Manufacturing Co., Ltd.	22,300	3,168,582	2.42
Keyence Corp.	7,200	2,875,037	2.20
Horiba, Ltd.	32,200	1,723,262	1.32
		<b>7,766,881</b>	<b>5.94</b>
<b>Software</b>			
Oracle Corp. Japan	31,200	1,779,923	1.36
NSD Co., Ltd.	31,900	459,556	0.35
		<b>2,239,479</b>	<b>1.71</b>
<b>Internet Software &amp; Services</b>			
Infomart Corp.	266,500	1,521,030	1.16
		<b>1,521,030</b>	<b>1.16</b>
<b>Total Information Technology</b>		<b>11,527,390</b>	<b>8.81</b>
<b>MATERIALS</b>			
<b>Chemicals</b>			
Shin-Etsu Chemical Co., Ltd.	31,100	2,690,321	2.06
Nitto Denko Corp.	29,800	2,295,883	1.76
W-Scope Corp.	94,300	1,384,267	1.06
		<b>6,370,471</b>	<b>4.88</b>
<b>Total Materials</b>		<b>6,370,471</b>	<b>4.88</b>
<b>REAL ESTATE</b>			
<b>Real Estate Management &amp; Development</b>			
Relo Group, Inc.	150,000	2,479,292	1.90
Mitsui Fudosan Co., Ltd.	91,000	1,937,673	1.48
		<b>4,416,965</b>	<b>3.38</b>
<b>Total Real Estate</b>		<b>4,416,965</b>	<b>3.38</b>

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>TELECOMMUNICATION SERVICES</b>			
<b>Wireless Telecommunication Services</b>			
SoftBank Group Corp.	37,800	2,664,545	2.04
		<b>2,664,545</b>	<b>2.04</b>
<b>Total Telecommunication Services</b>		<b>2,664,545</b>	<b>2.04</b>
<b>TOTAL EQUITIES</b>		<b>126,317,600</b>	<b>96.71</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>			
		<b>126,317,600</b>	<b>96.71</b>
<b>TOTAL INVESTMENTS</b>		<b>126,317,600</b>	<b>96.71</b>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>4,297,994</b>	<b>3.29</b>
<b>TOTAL NET ASSETS</b>		<b>130,615,594</b>	<b>100.00</b>

Sector Allocation	% of Net Assets
Industrials	23.56
Consumer Discretionary	18.60
Financials	14.66
Consumer Staples	11.27
Health Care	9.51
Information Technology	8.81
Materials	4.88
Real Estate	3.38
Telecommunication Services	2.04
<b>Total Investments</b>	<b>96.71</b>
Cash and Other Assets, Less Liabilities	3.29
<b>Total</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>				<b>INDIA</b>			
<b>EQUITIES</b>				<b>INDIA</b>			
<b>CHINA/HONG KONG</b>				<b>INDIA</b>			
Value Partners Group, Ltd.	1,909,000	1,817,672	2.31	GRUH Finance, Ltd.	263,201	1,604,702	2.04
Clear Media, Ltd.	1,399,000	1,620,360	2.06	AIA Engineering, Ltd.	53,949	1,319,210	1.68
SITC International Holdings Co., Ltd.	2,183,000	1,500,189	1.91	Supreme Industries, Ltd.	61,420	1,033,504	1.32
Vitasoy International Holdings, Ltd.	730,000	1,450,564	1.85	Berger Paints India, Ltd.	260,162	969,973	1.24
Silergy Corp.	73,000	1,347,605	1.71	DCB Bank, Ltd.	365,354	957,904	1.22
Lifetech Scientific Corp.	5,320,000	1,341,876	1.70	Page Industries, Ltd.	3,953	890,060	1.13
Chow Sang Sang Holdings International, Ltd.	525,000	1,237,758	1.58	LA Opala RC, Ltd.	107,056	887,229	1.13
Tongda Group Holdings, Ltd.	3,430,000	1,209,451	1.54	Gujarat Pipavav Port, Ltd.	322,805	820,745	1.05
IMAX China Holding, Inc.	231,600	1,192,530	1.52	CRISIL, Ltd.	25,289	741,709	0.94
TCC International Holdings, Ltd.	3,638,000	1,151,790	1.47	Emami, Ltd.	41,624	682,259	0.87
Melco International Development, Ltd.	631,000	1,114,165	1.42			<b>9,907,295</b>	<b>12.62</b>
Beijing Urban Construction Design & Development Group Co., Ltd. H Shares	1,762,000	1,104,287	1.41	<b>SOUTH KOREA</b>			
Ten Pao Group Holdings, Ltd.	4,244,000	1,048,751	1.34	Yonwoo Co., Ltd.	49,433	1,317,270	1.67
Qingdao Port International Co., Ltd. H Shares	1,854,000	1,035,850	1.32	i-SENS, Inc.	45,175	1,189,666	1.52
Q Technology Group Co., Ltd.	1,330,000	992,729	1.26	Vitrocell Co., Ltd.	77,786	977,281	1.24
Zhou Hei Ya International Holdings Co., Ltd.	926,500	939,556	1.20	LIG Nex1 Co., Ltd.	13,760	965,895	1.23
Genscript Biotech Corp.	1,646,000	889,691	1.13	NICE Holdings Co., Ltd.	60,312	933,021	1.19
eHi Car Services, Ltd. ADR	88,300	885,855	1.13	Medy-Tox, Inc.	2,226	921,611	1.17
Hutchison China MediTech, Ltd. ADR	40,100	824,857	1.05	Hy-Lok Corp.	45,039	879,998	1.12
Jacobson Pharma Corp., Ltd.	3,930,000	809,214	1.03	Value Added Technologies Co., Ltd.	33,589	842,503	1.07
Gridsum Holding, Inc. ADR	59,100	782,484	1.00	Dexter Studios Co., Ltd.	129,426	727,971	0.93
YY, Inc. ADR	14,900	696,817	0.89	Cell Biotech Co., Ltd.	17,521	538,728	0.69
		<b>24,994,051</b>	<b>31.83</b>	LEENO Industrial, Inc.	8,373	313,342	0.40
				CLIO Cosmetics Co., Ltd.	7,888	289,196	0.37
						<b>9,896,482</b>	<b>12.60</b>
<b>TAIWAN</b>				<b>INDONESIA</b>			
Macauto Industrial Co., Ltd.	227,000	1,294,849	1.65	PT Bank Tabungan Pensiunan Nasional	6,528,500	1,337,495	1.71
Sunny Friend Environmental Technology Co., Ltd.	269,000	1,294,356	1.65	PT Astra Otoparts	5,376,900	1,129,812	1.44
PChome Online, Inc.	157,151	1,277,598	1.63	PT Sumber Alfaria Trijaya	24,210,700	944,170	1.20
Elite Material Co., Ltd.	315,000	1,224,804	1.56	PT Ultrajaya Milk Industry & Trading Co.	2,439,300	783,476	1.00
Sinbon Electronics Co., Ltd.	457,797	1,124,441	1.43	PT Puradelta Lestari	43,064,000	736,762	0.94
Amulaire Thermal Technology, Inc.	372,985	1,097,474	1.40	PT Arwana Citramulia	19,571,300	702,044	0.89
Aerospace Industrial Development Corp.	865,000	1,094,092	1.39			<b>5,633,759</b>	<b>7.18</b>
Taiwan Paiho, Ltd.	308,000	1,055,681	1.34	<b>MALAYSIA</b>			
Kerry TJ Logistics Co., Ltd.	677,000	956,067	1.22	GD Express Carrier BHD	2,947,700	1,365,446	1.74
		<b>10,419,362</b>	<b>13.27</b>	Unisem M BHD	1,691,900	1,200,444	1.53
				Bursa Malaysia BHD	451,500	997,779	1.27
				Karex BHD	2,021,125	986,472	1.26
						<b>4,550,141</b>	<b>5.80</b>
				<b>THAILAND</b>			
				Aeon Thana Sinsap Thailand Public Co., Ltd.	326,200	977,770	1.24
				Forth Smart Service Public Co., Ltd.	1,784,000	950,082	1.21
				Plan B Media Public Co., Ltd. F Shares	4,392,100	766,934	0.98
						<b>2,694,786</b>	<b>3.43</b>

The accompanying notes form an integral part of these financial statements.

*Schedule of Investments (continued)***EQUITIES (CONTINUED)**

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>SINGAPORE</b>			
Delfi, Ltd.	710,600	1,134,153	1.45
China Yuchai International, Ltd.	55,100	1,005,953	1.28
iFAST Corp., Ltd.	819,400	419,318	0.53
		<b>2,559,424</b>	<b>3.26</b>
<b>PHILIPPINES</b>			
Concepcion Industrial Corp.	932,530	1,161,597	1.48
Philippine Seven Corp.	241,850	819,422	1.04
		<b>1,981,019</b>	<b>2.52</b>
<b>JAPAN</b>			
Honma Golf, Ltd.	907,000	733,024	0.93
W-Scope Corp.	49,200	722,226	0.92
		<b>1,455,250</b>	<b>1.85</b>
<b>ISRAEL</b>			
Sarine Technologies, Ltd.	761,300	1,048,885	1.34
		<b>1,048,885</b>	<b>1.34</b>
<b>VIETNAM</b>			
DHG Pharmaceutical JSC	128,480	781,652	1.00
		<b>781,652</b>	<b>1.00</b>
<b>UNITED STATES</b>			
Oclaro, Inc.	24,600	248,166	0.32
		<b>248,166</b>	<b>0.32</b>
<b>TOTAL EQUITIES</b>		<b>76,170,272</b>	<b>97.02</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>			
		<b>76,170,272</b>	<b>97.02</b>
<b>TOTAL INVESTMENTS</b>		<b>76,170,272</b>	<b>97.02</b>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES</b>		<b>2,342,446</b>	<b>2.98</b>
<b>TOTAL NET ASSETS</b>		<b>78,512,718</b>	<b>100.00</b>

Country Allocation	% of Net Assets
China/Hong Kong	31.83
Taiwan	13.27
India	12.62
South Korea	12.60
Indonesia	7.18
Malaysia	5.80
Thailand	3.43
Singapore	3.26
Philippines	2.52
Japan	1.85
Israel	1.34
Vietnam	1.00
United States	0.32
<b>Total Investments</b>	<b>97.02</b>
Cash and Other Assets, Less Liabilities	2.98
<b>Total</b>	<b>100.00</b>

ADR: American Depositary Receipt

BHD: Berhad

F Shares: Foreign Shares

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets	Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>				<b>CONSUMER DISCRETIONARY (CONTINUED)</b>			
<b>EQUITIES</b>				<b>Hotels, Restaurants &amp; Leisure</b>			
<b>INDUSTRIALS</b>				Melco International Development, Ltd.			
<b>Transportation Infrastructure</b>				Fairwood Holdings, Ltd.			
Yuexiu Transport Infrastructure, Ltd.	176,000	136,137	3.25		37,000	65,331	1.56
Qingdao Port International Co., Ltd. H Shares	233,000	130,180	3.10		13,000	52,197	1.24
		<b>266,317</b>	<b>6.35</b>			<b>117,528</b>	<b>2.80</b>
<b>Machinery</b>				<b>Specialty Retail</b>			
TK Group Holdings, Ltd.	356,000	106,747	2.54	Chow Sang Sang Holdings International, Ltd.			
China Yuchai International, Ltd.	3,900	71,202	1.70		38,000	89,590	2.14
CIMC Enric Holdings, Ltd.	40,000	25,116	0.60			<b>89,590</b>	<b>2.14</b>
		<b>203,065</b>	<b>4.84</b>	<b>Leisure Products</b>			
<b>Commercial Services &amp; Supplies</b>				Honma Golf, Ltd.			
Sunny Friend Environmental Technology Co., Ltd.	26,000	125,105	2.98		90,000	72,737	1.73
Greentown Service Group Co., Ltd.	198,000	73,640	1.76			<b>72,737</b>	<b>1.73</b>
		<b>198,745</b>	<b>4.74</b>	<b>Auto Components</b>			
<b>Marine</b>				Hu Lane Associate, Inc.			
SITC International Holdings Co., Ltd.	253,000	173,865	4.14		13,000	64,685	1.54
		<b>173,865</b>	<b>4.14</b>			<b>64,685</b>	<b>1.54</b>
<b>Air Freight &amp; Logistics</b>				<b>Diversified Consumer Services</b>			
Kerry Logistics Network, Ltd.	78,500	110,115	2.63	China Maple Leaf Educational Systems, Ltd.			
		<b>110,115</b>	<b>2.63</b>		70,000	52,799	1.26
						<b>52,799</b>	<b>1.26</b>
<b>Construction &amp; Engineering</b>				<b>Total Consumer Discretionary</b>			
Beijing Urban Construction Design & Development Group Co., Ltd. H Shares	103,000	64,553	1.54			<b>956,950</b>	<b>22.82</b>
		<b>64,553</b>	<b>1.54</b>	<b>INFORMATION TECHNOLOGY</b>			
<b>Electrical Equipment</b>				<b>Semiconductors &amp; Semiconductor Equipment</b>			
Voltronic Power Technology Corp.	4,297	57,355	1.37	Silergy Corp.			
		<b>57,355</b>	<b>1.37</b>		12,000	221,524	5.27
<b>Professional Services</b>				Parade Technologies, Ltd.			
51job, Inc. ADR	1,500	54,306	1.29		4,000	46,433	1.11
		<b>54,306</b>	<b>1.29</b>			<b>267,957</b>	<b>6.38</b>
<b>Total Industrials</b>				<b>Electronic Equipment, Instruments &amp; Components</b>			
		<b>1,128,321</b>	<b>26.90</b>	All Ring Tech Co., Ltd.			
<b>CONSUMER DISCRETIONARY</b>				Elite Material Co., Ltd.			
<b>Household Durables</b>							
Wuxi Little Swan Co., Ltd. B Shares	42,604	169,967	4.05		37,000	89,094	2.12
Q Technology Group Co., Ltd.	144,000	107,483	2.56		13,000	50,547	1.21
Guangzhou Holike Creative Home Co., Ltd. A Shares	14,400	76,982	1.84			<b>139,641</b>	<b>3.33</b>
Vatti Corp., Ltd. A Shares	13,400	64,892	1.55	<b>Communications Equipment</b>			
		<b>419,324</b>	<b>10.00</b>	Oclaro, Inc.			
<b>Media</b>				Advanced Ceramic X Corp.			
Clear Media, Ltd.	82,000	94,975	2.27		4,500	45,396	1.08
IMAX China Holding, Inc.	8,800	45,312	1.08		4,000	39,284	0.94
		<b>140,287</b>	<b>3.35</b>			<b>84,680</b>	<b>2.02</b>
<b>CONSUMER DISCRETIONARY (CONTINUED)</b>				<b>Software</b>			
<b>Hotels, Restaurants &amp; Leisure</b>				Gridsum Holding, Inc. ADR			
Melco International Development, Ltd.					5,835	77,255	1.84
Fairwood Holdings, Ltd.						<b>77,255</b>	<b>1.84</b>
		<b>117,528</b>	<b>2.80</b>	<b>Internet Software &amp; Services</b>			
<b>Specialty Retail</b>				Sohu.com, Inc.			
Chow Sang Sang Holdings International, Ltd.					1,200	48,279	1.15
		<b>89,590</b>	<b>2.14</b>			<b>48,279</b>	<b>1.15</b>
<b>Leisure Products</b>				<b>Total Information Technology</b>			
Honma Golf, Ltd.						<b>617,812</b>	<b>14.72</b>
		<b>72,737</b>	<b>1.73</b>	<b>HEALTH CARE</b>			
<b>Auto Components</b>				<b>Biotechnology</b>			
Hu Lane Associate, Inc.				China Biologic Products, Inc.			
		<b>64,685</b>	<b>1.54</b>		1,100	109,847	2.62
<b>Diversified Consumer Services</b>				Shanghai Haohai Biological Technology Co., Ltd. H Shares			
China Maple Leaf Educational Systems, Ltd.					20,600	95,005	2.26
		<b>52,799</b>	<b>1.26</b>			<b>204,852</b>	<b>4.88</b>
<b>Total Consumer Discretionary</b>							
		<b>956,950</b>	<b>22.82</b>				

The accompanying notes form an integral part of these financial statements.

## Schedule of Investments (continued)

## EQUITIES (CONTINUED)

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
<b>HEALTH CARE (CONTINUED)</b>			
<b>Health Care Equipment &amp; Supplies</b>			
Shandong Weigao Group Medical Polymer Co., Ltd. H Shares	132,000	94,450	2.25
Lifetech Scientific Corp.	302,000	76,174	1.82
		<b>170,624</b>	<b>4.07</b>
<b>Life Sciences Tools &amp; Services</b>			
Genscript Biotech Corp.	174,000	94,050	2.24
		<b>94,050</b>	<b>2.24</b>
<b>Pharmaceuticals</b>			
Jacobson Pharma Corp., Ltd.	212,000	43,652	1.04
		<b>43,652</b>	<b>1.04</b>
<b>Health Care Providers &amp; Services</b>			
Zhejiang Dian Diagnostics Co., Ltd. A Shares	4,600	20,701	0.49
		<b>20,701</b>	<b>0.49</b>
<b>Total Health Care</b>		<b>533,879</b>	<b>12.72</b>

## REAL ESTATE

<b>Real Estate Management &amp; Development</b>			
CIFI Holdings Group Co., Ltd.	268,000	104,158	2.48
KWG Property Holding, Ltd.	132,500	96,027	2.29
K Wah International Holdings, Ltd.	89,000	59,096	1.41
		<b>259,281</b>	<b>6.18</b>
<b>Total Real Estate</b>		<b>259,281</b>	<b>6.18</b>

## FINANCIALS

<b>Capital Markets</b>			
Value Partners Group, Ltd.	135,000	128,541	3.06
		<b>128,541</b>	<b>3.06</b>
<b>Banks</b>			
Dah Sing Banking Group, Ltd.	37,600	74,125	1.77
		<b>74,125</b>	<b>1.77</b>
<b>Total Financials</b>		<b>202,666</b>	<b>4.83</b>

## MATERIALS

<b>Construction Materials</b>			
China Resources Cement Holdings, Ltd.	250,000	139,933	3.34
		<b>139,933</b>	<b>3.34</b>
<b>Metals &amp; Mining</b>			
MMG, Ltd.	16,000	5,971	0.14
		<b>5,971</b>	<b>0.14</b>
<b>Total Materials</b>		<b>145,904</b>	<b>3.48</b>

Investments	Quantity/ Nominal Value	Market Value USD	% of Net Assets
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## ENERGY

## Oil, Gas &amp; Consumable Fuels

China Aviation Oil Singapore Corp., Ltd.	112,600	122,899	2.93
		<b>122,899</b>	<b>2.93</b>
<b>Total Energy</b>		<b>122,899</b>	<b>2.93</b>

## CONSUMER STAPLES

## Food Products

Vitasoy International Holdings, Ltd.	32,000	63,586	1.52
Tehmag Foods Corp.	6,000	46,865	1.12
		<b>110,451</b>	<b>2.64</b>
<b>Total Consumer Staples</b>		<b>110,451</b>	<b>2.64</b>

## TOTAL EQUITIES

4,078,163 97.22

TOTAL TRANSFERABLE SECURITIES  
AND MONEY MARKET INSTRUMENTS  
ADMITTED TO AN OFFICIAL  
EXCHANGE LISTING

4,078,163 97.22

## TOTAL INVESTMENTS

4,078,163 97.22

CASH AND OTHER ASSETS,  
LESS LIABILITIES

116,594 2.78

## TOTAL NET ASSETS

4,194,757 100.00

A Shares: Shares traded through the Shanghai-Hong Kong Stock Connect program

ADR: American Depositary Receipt

B Shares: Mainland China companies listed on the Shanghai and Shenzhen stock exchanges, available to both China and non-Chinese investors

H Shares: Mainland China companies listed on The Hong Kong stock exchange but incorporated in mainland China

Sector Allocation	% of Net Assets
Industrials	26.90
Consumer Discretionary	22.82
Information Technology	14.72
Health Care	12.72
Real Estate	6.18
Financials	4.83
Materials	3.48
Energy	2.93
Consumer Staples	2.64
<b>Total Investments</b>	<b>97.22</b>
Cash and Other Assets, Less Liabilities	2.78
<b>Total</b>	<b>100.00</b>

# Statement of Assets and Liabilities

*As at 31 March 2017*

	Asia Strategic Income Fund (USD)	Asia Credit Opportunities Fund (USD)	Asia Dividend Fund (USD)	Asia ex Japan Dividend Fund (USD)	China Dividend Fund (USD)
<b>ASSETS</b>					
Investment in securities at market value (note 2C)	10,729,935	12,591,747	392,156,206	1,224,389	4,793,187
At cost	10,541,287	12,133,632	333,114,621	1,091,230	4,452,026
Cash and cash equivalent at bank	203,474	972,287	2,380,355	27,248	203,880
Amount receivable on sales of investments	–	–	2,588,077	24,513	62,500
Interest and dividends receivable	254,570	244,743	2,312,426	5,625	4,786
Subscriptions receivable	–	–	360,300	–	3,252
Unrealized gain on forward currency exchange contracts (note 2E and note 15)	24,499	–	–	–	–
Prepaid expenses and other receivables	57,220	16,961	25,647	18,000	38,426
<b>TOTAL ASSETS</b>	<b>11,269,698</b>	<b>13,825,738</b>	<b>399,823,011</b>	<b>1,299,775</b>	<b>5,106,031</b>
<b>LIABILITIES</b>					
Amounts payable on purchases of investments	–	–	568,173	–	86,734
Redemptions payable	–	–	2,159,542	–	20,882
Management fees and administration fees payable (note 4)	(19,486)	(27,072)	347,926	(40,133)	(27,748)
Payable for foreign taxes (note 9B)	3,773	–	509,963	2,785	–
Unrealized loss on forward currency exchange contracts (note 2E and note 15)	68,594	–	–	–	–
Market value of credit default swap agreements (note 2F and note 16)	36,104	36,104	–	–	–
Accrued expenses and other payables (note 7)	168,684	281,574	2,286,119	93,126	106,457
<b>TOTAL LIABILITIES</b>	<b>257,669</b>	<b>290,606</b>	<b>5,871,723</b>	<b>55,778</b>	<b>186,325</b>
<b>TOTAL NET ASSETS</b>	<b>11,012,029</b>	<b>13,535,132</b>	<b>393,951,288</b>	<b>1,243,997</b>	<b>4,919,706</b>

The accompanying notes form an integral part of these financial statements.

# Statement of Assets and Liabilities *(Continued)*

*As at 31 March 2017*

Asia Focus Fund (USD)	Pacific Tiger Fund (USD)	China Fund (USD)	India Fund (USD)	Japan Fund (USD)	Asia Small Companies Fund (USD)	China Small Companies Fund (USD)	Combined (USD)
965,457	390,754,199	16,292,233	124,883,885	126,317,600	76,170,272	4,078,163	1,160,957,273
929,992	372,611,456	14,166,358	111,908,810	122,437,012	73,215,888	3,603,585	1,060,205,897
81,351	16,663,995	133,689	1,635,241	4,614,413	2,986,021	171,284	30,073,238
–	–	55,402	–	848,368	46,531	–	3,625,391
4,646	557,976	–	14,566	740,875	67,066	–	4,207,279
–	770,303	7,491	124,753	287,234	1,686	12,788	1,567,807
–	–	–	–	–	–	–	24,499
17,972	1,427,724	73,389	454,873	17,270	293,748	30,524	2,471,754
<b>1,069,426</b>	<b>410,174,197</b>	<b>16,562,204</b>	<b>127,113,318</b>	<b>132,825,760</b>	<b>79,565,324</b>	<b>4,292,759</b>	<b>1,202,927,241</b>
–	4,788,707	20,262	265,084	1,034,588	753,847	–	7,517,395
–	1,272,508	24,083	27,434	640,103	17,919	24,072	4,186,543
(25,057)	321,296	(12,490)	82,107	79,007	33,706	(25,280)	686,776
381	89,292	–	1,027,584	–	99,834	–	1,733,612
–	–	–	–	–	–	–	68,594
–	–	–	–	–	–	–	72,208
89,576	369,240	110,033	144,931	456,468	147,300	99,210	4,352,718
<b>64,900</b>	<b>6,841,043</b>	<b>141,888</b>	<b>1,547,140</b>	<b>2,210,166</b>	<b>1,052,606</b>	<b>98,002</b>	<b>18,617,846</b>
<b>1,004,526</b>	<b>403,333,154</b>	<b>16,420,316</b>	<b>125,566,178</b>	<b>130,615,594</b>	<b>78,512,718</b>	<b>4,194,757</b>	<b>1,184,309,395</b>

This table follows the same sequence of financial captions on the previous page.

The accompanying notes form an integral part of these financial statements.

# Statement of Operations and Changes in Net Assets

For the year ended 31 March 2017

	Asia Strategic Income Fund (USD)	Asia Credit Opportunities Fund (USD)	Asia Dividend Fund (USD)	Asia ex Japan Dividend Fund (USD)	China Dividend Fund (USD)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>10,199,567</b>	<b>10,573,839</b>	<b>409,879,371</b>	<b>1,015,781</b>	<b>3,963,081</b>
<b>INCOME</b>					
Dividends income, net of foreign tax withholding (note 2I)	–	–	11,650,114	37,694	121,619
Interest income, net (note 2I)	520,682	789,821	9,445	47	222
Other income	1,443	–	52,317	–	–
<b>TOTAL INCOME</b>	<b>522,125</b>	<b>789,821</b>	<b>11,711,876</b>	<b>37,741</b>	<b>121,841</b>
<b>EXPENSES</b>					
Overdraft interest on bank accounts	25	12	1,432	26	–
Management fees and administration fees (note 4)	125,097	130,225	4,450,779	14,228	52,681
Domiciliation, Administrative Agent and Transfer agency fees (note 5 and note 6)	81,000	79,977	262,915	77,128	72,583
Professional fees (note 7)	68,780	53,088	80,439	53,350	88,334
Depository fees (note 5)	8,339	13,113	100,930	13,703	9,003
Taxe d'abonnement (note 9A)	5,387	6,066	148,811	627	2,119
Transaction costs (note 10)	5,743	3,411	751,603	33,091	64,276
Other expenses (note 7 and note 8)	59,208	84,601	193,304	103,769	80,694
<b>TOTAL EXPENSES</b>	<b>353,579</b>	<b>370,493</b>	<b>5,990,213</b>	<b>295,922</b>	<b>369,690</b>
Advisory Fees Waived and Expenses Reimbursed (note 2J)	190,009	200,366	246,621	269,838	278,115
Advisory Fees and Expenses Recovered (note 2J)	–	–	(17,701)	–	–
<b>NET INVESTMENT INCOME/(LOSS)</b>	<b>358,555</b>	<b>619,694</b>	<b>5,950,583</b>	<b>11,657</b>	<b>30,266</b>
Net realized gain/(loss) on sales of investments	70,817	293,298	9,325,266	89,642	296,304
Net realized gain/(loss) on forward currency exchange contracts (note 2E)	(158,623)	711	(62,563)	(1,334)	1
Net realized gain/(loss) on foreign exchanges (note 2G)	173,199	4,846	(284,812)	(18)	(483)
<b>Net realized gain/(loss) for the year</b>	<b>85,393</b>	<b>298,855</b>	<b>8,977,891</b>	<b>88,290</b>	<b>295,822</b>
Net change in unrealized gain/(loss) on sales of investments	430,232	107,737	32,335,336	110,854	314,608
Net change in unrealized gain/(loss) on foreign tax provision (note 9B)	(3,773)	–	(509,241)	(2,785)	–
Net change in unrealized gain/(loss) on forward currency exchange contracts (note 2E)	(82,623)	–	–	–	–
Net change in unrealized gain/(loss) on credit default swap agreements (note 2F)	637	637	–	–	–
Net change in unrealized gain/(loss) on foreign exchanges (note 2G)	1,717	(165)	336,355	161	4,897
<b>Net change in unrealized gain/(loss) for the year</b>	<b>346,190</b>	<b>108,209</b>	<b>32,162,450</b>	<b>108,230</b>	<b>319,505</b>
<b>Increase/(decrease) in net assets as a result of operations</b>	<b>790,138</b>	<b>1,026,758</b>	<b>47,090,924</b>	<b>208,177</b>	<b>645,593</b>
Subscriptions	379,587	2,855,374	69,392,658	282,512	2,575,689
Redemptions	(14,607)	(130,742)	(129,487,351)	(245,354)	(2,231,273)
Dividend distributions (note 13)	(342,656)	(790,097)	(2,924,314)	(17,119)	(33,384)
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>11,012,029</b>	<b>13,535,132</b>	<b>393,951,288</b>	<b>1,243,997</b>	<b>4,919,706</b>

The accompanying notes form an integral part of these financial statements.

# Statement of Operations and Changes in Net Assets *(Continued)*

For the year ended 31 March 2017

Asia Focus Fund (USD)	Pacific Tiger Fund (USD)	China Fund (USD)	India Fund (USD)	Japan Fund (USD)	Asia Small Companies Fund (USD)	China Small Companies Fund (USD)	Combined (USD)
911,351	347,221,789	18,996,873	105,408,111	48,595,763	72,574,437	3,386,434	1,032,726,397
23,332	6,432,511	357,599	824,518	1,624,435	1,174,965	90,961	22,337,748
64	11,644	328	4,442	5,153	4,246	196	1,346,290
–	–	–	54,267	–	–	–	108,027
<b>23,396</b>	<b>6,444,155</b>	<b>357,927</b>	<b>883,227</b>	<b>1,629,588</b>	<b>1,179,211</b>	<b>91,157</b>	<b>23,792,065</b>
–	1,721	84	537	1,002	–	11	4,850
11,745	3,856,439	157,848	1,096,335	1,082,795	929,453	56,773	11,964,398
78,333	226,309	73,531	74,290	106,838	66,919	74,116	1,273,939
93,446	115,513	88,945	94,199	63,671	75,943	87,341	963,049
2,088	86,071	10,810	53,105	23,236	43,144	9,747	373,289
476	191,465	7,602	42,762	50,437	37,011	2,000	494,763
13,759	238,487	100,381	188,757	179,241	280,100	48,833	1,907,682
71,812	162,726	51,860	–	126,105	149,514	61,386	1,144,979
<b>271,659</b>	<b>4,878,731</b>	<b>491,061</b>	<b>1,549,985</b>	<b>1,633,325</b>	<b>1,582,084</b>	<b>340,207</b>	<b>18,126,949</b>
257,830	11,783	194,747	92,289	78,056	144,240	250,888	2,214,782
–	(418,512)	–	(119,534)	(22,716)	(46,386)	–	(624,849)
<b>9,567</b>	<b>1,158,695</b>	<b>61,613</b>	<b>(694,003)</b>	<b>51,603</b>	<b>(305,019)</b>	<b>1,838</b>	<b>7,255,049</b>
(24,374)	(767,841)	(149,717)	(1,315,706)	3,414,179	162,988	37,893	11,432,749
–	(8,368)	(1)	(1,129)	(479)	(1,426)	(13)	(233,224)
(1,008)	(67,088)	(3,817)	(177,776)	141,787	(12,863)	1,701	(226,332)
<b>(25,382)</b>	<b>(843,297)</b>	<b>(153,535)</b>	<b>(1,494,611)</b>	<b>3,555,487</b>	<b>148,699</b>	<b>39,581</b>	<b>10,973,193</b>
105,353	41,266,527	3,049,420	24,090,436	1,461,168	7,646,229	649,112	111,567,012
(381)	558,863	–	(136,021)	–	1,829	–	(91,509)
–	–	–	–	–	–	–	(82,623)
–	–	–	–	–	–	–	1,274
1,355	821,286	52,324	135,887	(6,043)	26,482	2,410	1,376,666
<b>106,327</b>	<b>42,646,676</b>	<b>3,101,744</b>	<b>24,090,302</b>	<b>1,455,125</b>	<b>7,674,540</b>	<b>651,522</b>	<b>112,770,820</b>
<b>90,512</b>	<b>42,962,074</b>	<b>3,009,822</b>	<b>21,901,688</b>	<b>5,062,215</b>	<b>7,518,220</b>	<b>692,941</b>	<b>130,999,062</b>
2,790	158,629,294	2,983,970	21,766,223	123,892,450	526,383	1,935,063	385,221,993
(127)	(145,011,971)	(8,570,349)	(23,509,844)	(46,934,834)	(2,106,322)	(1,819,681)	(360,062,455)
–	(468,032)	–	–	–	–	–	(4,575,602)
<b>1,004,526</b>	<b>403,333,154</b>	<b>16,420,316</b>	<b>125,566,178</b>	<b>130,615,594</b>	<b>78,512,718</b>	<b>4,194,757</b>	<b>1,184,309,395</b>

This table follows the same sequence of financial captions on the previous page.

The accompanying notes form an integral part of these financial statements.

# Statement of Changes in Number of Shares

For the year ended 31 March 2017

	I Acc (USD)	I Dist (USD)	A Acc (USD)	A Dist (USD)	I Acc (GBP)	I Dist (GBP)	A Acc (GBP)	A Dist (GBP)	I Acc* (JPY)	C Acc (USD)	S Acc (USD)
<b>ASIA STRATEGIC INCOME FUND</b>											
Shares outstanding at the beginning of the year	278,926	269,766	251,146	269,776	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	437	15,266	9,377	14,447	-	-	-	-	-	-	-
Shares redeemed	-	303	1,146	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	279,363	284,729	259,377	284,223	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>ASIA CREDIT OPPORTUNITIES FUND</b>											
Shares outstanding at the beginning of the year	n.a.	343,131	n.a.	343,133	n.a.	227,344	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	-	83,053	-	136,446	-	32,959	-	-	-	-	-
Shares redeemed	-	-	-	4,660	-	5,037	-	-	-	-	-
Shares outstanding at the end of the year	n.a.	426,184	n.a.	474,919	n.a.	255,266	n.a.	n.a.	n.a.	n.a.	n.a.
<b>ASIA DIVIDEND FUND</b>											
Shares outstanding at the beginning of the year	8,068,880	2,886,962	6,095,450	827,058	151,416	2,246,957	287,418	61,438	n.a.	8,004,916	n.a.
Shares subscribed	2,201,203	447,209	789,681	48,866	54,776	727,766	96,928	12,877	-	-	-
Shares redeemed	4,796,604	1,012,648	2,265,045	222,604	15,845	307,637	112,141	11,145	-	-	-
Shares outstanding at the end of the year	5,473,479	2,321,523	4,620,086	653,320	190,347	2,667,086	272,205	63,170	n.a.	8,004,916	n.a.
<b>ASIA EX JAPAN DIVIDEND FUND</b>											
Shares outstanding at the beginning of the year	16,667	16,759	16,667	16,759	11,066	11,127	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	22,200	471	-	471	1,890	747	-	-	-	-	-
Shares redeemed	22,200	-	-	-	161	-	-	-	-	-	-
Shares outstanding at the end of the year	16,667	17,230	16,667	17,230	12,795	11,874	n.a.	n.a.	n.a.	n.a.	n.a.
<b>CHINA DIVIDEND FUND</b>											
Shares outstanding at the beginning of the year	180,641	28,705	84,560	57,556	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	71,112	37,954	96,748	6,661	-	-	-	-	-	-	-
Shares redeemed	116,265	32,490	32,998	8,353	-	-	-	-	-	-	-
Shares outstanding at the end of the year	135,488	34,169	148,310	55,864	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>ASIA FOCUS FUND</b>											
Shares outstanding at the beginning of the year	50,000	n.a.	50,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	295	-	-	-	-	-	-	-	-	-	-
Shares redeemed	13	-	-	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	50,282	n.a.	50,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PACIFIC TIGER FUND</b>											
Shares outstanding at the beginning of the year	14,246,045	1,031,500	2,503,559	n.a.	4,239,056	1,305,994	23,024	n.a.	n.a.	n.a.	n.a.
Shares subscribed	5,654,548	655,974	760,417	-	1,777,561	496,878	10,299	-	1,440,000	-	-
Shares redeemed	6,371,577	159,686	1,778,452	-	703,065	699,728	7,750	-	-	-	-
Shares outstanding at the end of the year	13,529,016	1,527,788	1,485,524	n.a.	5,313,552	1,103,144	25,573	n.a.	1,440,000	n.a.	n.a.

\* Commenced operations on 27 March 2017.

The accompanying notes form an integral part of these financial statements.

# Statement of Changes in Number of Shares *(Continued)*

For the year ended 31 March 2017

	I Acc (USD)	I Dist (USD)	A Acc (USD)	A Dist (USD)	I Acc (GBP)	I Dist (GBP)	A Acc (GBP)	A Dist (GBP)	I Acc* (JPY)	C Acc (USD)	S Acc (USD)
<b>CHINA FUND</b>											
Shares outstanding at the beginning of the year	1,613,582	n.a.	95,257	n.a.	133,614	n.a.	2,104	n.a.	n.a.	n.a.	n.a.
Shares subscribed	17,813	–	134,437	–	71,758	–	11,318	–	–	–	–
Shares redeemed	585,300	–	126,219	–	72,345	–	10,063	–	–	–	–
Shares outstanding at the end of the year	1,046,095	n.a.	103,475	n.a.	133,027	n.a.	3,359	n.a.	n.a.	n.a.	n.a.
<b>INDIA FUND</b>											
Shares outstanding at the beginning of the year	4,987,792	n.a.	218,472	n.a.	589,127	n.a.	92,246	n.a.	n.a.	n.a.	3,103,968
Shares subscribed	112,279	–	45,430	–	256,147	–	59,048	–	–	–	1,176,367
Shares redeemed	91,505	–	111,889	–	179,095	–	50,483	–	–	–	1,551,984
Shares outstanding at the end of the year	5,008,566	n.a.	152,013	n.a.	666,179	n.a.	100,811	n.a.	n.a.	n.a.	2,728,351
<b>JAPAN FUND</b>											
Shares outstanding at the beginning of the year	2,241,515	n.a.	158,831	n.a.	27,435	n.a.	n.a.	n.a.	n.a.	n.a.	2,175,385
Shares subscribed	11,253,499	–	143,387	–	22,173	–	–	–	–	–	–
Shares redeemed	4,202,885	–	38,445	–	14,479	–	–	–	–	–	–
Shares outstanding at the end of the year	9,292,129	n.a.	263,773	n.a.	35,129	n.a.	n.a.	n.a.	n.a.	n.a.	2,175,385
<b>ASIA SMALL COMPANIES FUND</b>											
Shares outstanding at the beginning of the year	7,074,932	n.a.	187,137	n.a.	11,994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	–	–	31,020	–	11,995	–	–	–	–	–	–
Shares redeemed	116,236	–	78,423	–	11,574	–	–	–	–	–	–
Shares outstanding at the end of the year	6,958,696	n.a.	139,734	n.a.	12,415	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>CHINA SMALL COMPANIES FUND</b>											
Shares outstanding at the beginning of the year	184,399	n.a.	99,768	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Shares subscribed	58,285	–	91,731	–	–	–	–	–	–	–	–
Shares redeemed	77,697	–	62,622	–	–	–	–	–	–	–	–
Shares outstanding at the end of the year	164,987	n.a.	128,877	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

\* Commenced operations on 27 March 2017.

The accompanying notes form an integral part of these financial statements.

# Statement of Net Asset Value (NAV) Per Share and Net Asset Statistics

Values per share in Share Class currency

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
<b>ASIA STRATEGIC INCOME FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	2,999,871	2,772,898	2,721,268
I Dist (USD)	2,650,851	2,484,646	2,438,859
A Acc (USD)	2,749,494	2,477,017	2,443,086
A Dist (USD)	2,611,813	2,465,006	2,431,716
<b>Net Asset Value Per Share</b>			
I Acc (USD)	10.74	9.94	9.76
I Dist (USD)	9.31	9.21	9.51
A Acc (USD)	10.60	9.86	9.73
A Dist (USD)	9.19	9.14	9.48
<b>Shares Outstanding</b>			
I Acc (USD)	279,363	278,926	278,926
I Dist (USD)	284,729	269,766	256,410
A Acc (USD)	259,377	251,146	251,146
A Dist (USD)	284,223	269,776	256,412
<b>ASIA CREDIT OPPORTUNITIES FUND <sup>1</sup></b>			
<b>Net Assets</b>			
I Dist (USD)	4,487,982	3,520,987	n.a.
A Dist (USD)	4,967,608	3,512,240	n.a.
I Dist (GBP)	3,267,686	2,459,869	n.a.
<b>Net Asset Value Per Share</b>			
I Dist (USD)	10.53	10.26	n.a.
A Dist (USD)	10.46	10.24	n.a.
I Dist (GBP)	12.80	10.82	n.a.
<b>Shares Outstanding</b>			
I Dist (USD)	426,184	343,131	n.a.
A Dist (USD)	474,919	343,133	n.a.
I Dist (GBP)	255,266	227,344	n.a.
<b>ASIA DIVIDEND FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	87,766,572	114,616,926	261,468,378
I Dist (USD)	32,268,211	36,700,323	48,044,214
A Acc (USD)	71,520,344	84,013,230	157,623,512
A Dist (USD)	8,921,832	10,380,289	13,706,145
I Acc (GBP)	3,675,694	2,247,009	1,985,479
I Dist (GBP)	44,541,143	29,749,141	18,095,897
A Acc (GBP)	5,097,216	4,156,321	3,424,896
A Dist (GBP)	1,039,003	805,077	1,531,055
C Acc (USD)	125,617,260	110,973,760	112,982,043
<b>Net Asset Value Per Share</b>			
I Acc (USD)	16.03*	14.25*	14.45*
I Dist (USD)	13.90*	12.76*	13.28*
A Acc (USD)	15.48*	13.83*	14.11*
A Dist (USD)	13.66*	12.59*	13.20*
I Acc (GBP)	19.31*	14.89*	14.71*
I Dist (GBP)	16.70*	13.29*	13.49*
A Acc (GBP)	18.73*	14.51*	14.40*
A Dist (GBP)	16.45*	13.15*	13.42*
C Acc (USD)	15.69*	13.91*	14.06*

\* NAV per share includes swing pricing adjustment.

<sup>1</sup> Commenced operations on 30 September 2015.

The accompanying notes form an integral part of these financial statements.

# Statement of Net Asset Value (NAV) Per Share and Net Asset Statistics *(Continued)*

Values per share in Share Class currency

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
<b>ASIA DIVIDEND FUND (CONTINUED)</b>			
<b>Shares Outstanding</b>			
I Acc (USD)	5,473,479	8,068,880	18,032,906
I Dist (USD)	2,321,523	2,886,962	3,604,978
A Acc (USD)	4,620,086	6,095,450	11,133,222
A Dist (USD)	653,320	827,058	1,035,080
I Acc (GBP)	190,347	151,416	134,537
I Dist (GBP)	2,667,086	2,246,957	1,337,065
A Acc (GBP)	272,205	287,418	236,928
A Dist (GBP)	63,170	61,438	113,659
C Acc (USD)	8,004,916	8,004,916	8,004,916
<b>ASIA EX JAPAN DIVIDEND FUND<sup>2</sup></b>			
<b>Net Assets</b>			
I Acc (USD)	201,978	169,590	n.a.
I Dist (USD)	201,073	169,588	n.a.
A Acc (USD)	200,572	169,301	n.a.
A Dist (USD)	199,729	169,298	n.a.
I Acc (GBP)	186,361	117,419	n.a.
I Dist (GBP)	166,593	117,411	n.a.
<b>Net Asset Value Per Share</b>			
I Acc (USD)	12.12	10.18	n.a.
I Dist (USD)	11.67	10.12	n.a.
A Acc (USD)	12.03	10.16	n.a.
A Dist (USD)	11.59	10.10	n.a.
I Acc (GBP)	14.57	10.61	n.a.
I Dist (GBP)	14.03	10.55	n.a.
<b>Shares Outstanding</b>			
I Acc (USD)	16,667	16,667	n.a.
I Dist (USD)	17,230	16,759	n.a.
A Acc (USD)	16,667	16,667	n.a.
A Dist (USD)	17,230	16,759	n.a.
I Acc (GBP)	12,795	11,066	n.a.
I Dist (GBP)	11,874	11,127	n.a.
<b>CHINA DIVIDEND FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	1,841,365	2,078,253	2,059,487
I Dist (USD)	426,904	312,829	2,594,658
A Acc (USD)	1,975,467	958,176	754,978
A Dist (USD)	675,970	613,824	465,798
<b>Net Asset Value Per Share</b>			
I Acc (USD)	13.59*	11.55*	11.71*
I Dist (USD)	12.49*	10.94*	11.35*
A Acc (USD)	13.32*	11.37*	11.59*
A Dist (USD)	12.10*	10.70*	11.18*
<b>Shares Outstanding</b>			
I Acc (USD)	135,488	180,641	175,302
I Dist (USD)	34,169	28,705	227,879
A Acc (USD)	148,310	84,560	64,919
A Dist (USD)	55,864	57,556	41,512

\* NAV per share includes swing pricing adjustment.

<sup>2</sup> Commenced operations on 30 November 2015.

The accompanying notes form an integral part of these financial statements.

# Statement of Net Asset Value (NAV) Per Share and Net Asset Statistics *(Continued)*

Values per share in Share Class currency

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
<b>ASIA FOCUS FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	507,236	457,769	510,193
A Acc (USD)	497,290	453,583	508,067
<b>Net Asset Value Per Share</b>			
I Acc (USD)	10.09	9.16	10.20
A Acc (USD)	9.95	9.07	10.16
<b>Shares Outstanding</b>			
I Acc (USD)	50,282	50,000	50,000
A Acc (USD)	50,000	50,000	50,000
<b>PACIFIC TIGER FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	210,368,833	197,179,502	582,183,292
I Dist (USD)	15,051,705	9,184,478	19,622,598
A Acc (USD)	21,446,363	32,370,687	93,410,487
I Acc (GBP)	99,710,765	61,411,828	26,558,467
I Dist (GBP)	14,629,475	13,635,953	10,764,427
A Acc (GBP)	464,505	324,522	172,560
I Acc (JPY) <sup>3</sup>	1,469,056,186	n.a.	n.a.
<b>Net Asset Value Per Share</b>			
I Acc (USD)	15.55*	13.89*	15.10*
I Dist (USD)	9.85*	8.94*	10.51*
A Acc (USD)	14.44*	12.98*	14.18*
I Acc (GBP)	18.77*	14.54*	15.39*
I Dist (GBP)	13.26*	10.48*	11.35*
A Acc (GBP)	18.16*	14.14*	15.06*
I Acc (JPY) <sup>3</sup>	1020.18*	n.a.	n.a.
<b>Shares Outstanding</b>			
I Acc (USD)	13,529,016	14,246,045	38,695,240
I Dist (USD)	1,527,788	1,031,500	1,873,349
A Acc (USD)	1,485,524	2,503,559	6,608,570
I Acc (GBP)	5,313,552	4,239,056	1,731,226
I Dist (GBP)	1,103,144	1,305,994	951,437
A Acc (GBP)	25,573	23,024	11,496
I Acc (JPY) <sup>3</sup>	1,440,000	n.a.	n.a.
<b>CHINA FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	12,861,332	16,174,328	59,030,808
A Acc (USD)	1,156,685	872,547	1,017,559
I Acc (GBP)	1,878,285	1,334,311	941,591
A Acc (GBP)	45,940	20,465	30,359
<b>Net Asset Value Per Share</b>			
I Acc (USD)	12.29*	10.06*	11.77*
A Acc (USD)	11.18*	9.19*	10.81*
I Acc (GBP)	14.12*	10.02*	11.42*
A Acc (GBP)	13.68*	9.76*	11.18*
<b>Shares Outstanding</b>			
I Acc (USD)	1,046,095	1,613,582	4,999,924
A Acc (USD)	103,475	95,257	93,805
I Acc (GBP)	133,027	133,614	82,171
A Acc (GBP)	3,359	2,104	2,706

\* NAV per share includes swing pricing adjustment.

<sup>3</sup> Commenced operations on 27 March 2017.

The accompanying notes form an integral part of these financial statements.

# Statement of Net Asset Value (NAV) Per Share and Net Asset Statistics *(Continued)*

Values per share in Share Class currency

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
<b>INDIA FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	71,993,037	58,694,353	54,510,987
A Acc (USD)	2,123,372	2,510,523	1,790,395
I Acc (GBP)	12,286,457	7,715,877	6,627,218
A Acc (GBP)	1,806,184	1,179,440	2,338,746
S Acc (USD) <sup>4</sup>	33,855,813	31,399,760	n.a.
<b>Net Asset Value Per Share</b>			
I Acc (USD)	14.37*	11.73*	13.94*
A Acc (USD)	13.97*	11.45*	13.68*
I Acc (GBP)	18.44*	13.05*	15.11*
A Acc (GBP)	17.92*	12.74*	14.83*
S Acc (USD) <sup>4</sup>	12.41*	10.08*	n.a.
<b>Shares Outstanding</b>			
I Acc (USD)	5,008,566	4,987,792	3,923,949
A Acc (USD)	152,013	218,472	131,343
I Acc (GBP)	666,179	589,127	440,068
A Acc (GBP)	100,811	92,246	158,280
S Acc (USD) <sup>4</sup>	2,728,351	3,103,968	n.a.
<b>JAPAN FUND<sup>5</sup></b>			
<b>Net Assets</b>			
I Acc (USD)	102,712,689	23,465,937	n.a.
A Acc (USD)	2,886,272	1,655,300	n.a.
I Acc (GBP)	479,154	307,582	n.a.
S Acc (USD) <sup>6</sup>	24,418,432	23,031,808	n.a.
<b>Net Asset Value Per Share</b>			
I Acc (USD)	11.05*	10.51*	n.a.
A Acc (USD)	10.94*	10.46*	n.a.
I Acc (GBP)	13.64*	11.25*	n.a.
S Acc (USD) <sup>6</sup>	11.22*	10.62*	n.a.
<b>Shares Outstanding</b>			
I Acc (USD)	9,292,129	2,241,515	n.a.
A Acc (USD)	263,773	158,831	n.a.
I Acc (GBP)	35,129	27,435	n.a.
S Acc (USD) <sup>6</sup>	2,175,385	2,175,385	n.a.
<b>ASIA SMALL COMPANIES FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	76,783,400	70,545,490	13,439,603
A Acc (USD)	1,512,259	1,839,445	2,251,112
I Acc (GBP)	173,863	131,658	3,270,636
<b>Net Asset Value Per Share</b>			
I Acc (USD)	11.03*	9.94*	11.54*
A Acc (USD)	10.82*	9.80*	11.44*
I Acc (GBP)	14.00*	10.94*	12.37*
<b>Shares Outstanding</b>			
I Acc (USD)	6,958,696	7,074,932	1,168,352
A Acc (USD)	139,734	187,137	197,529
I Acc (GBP)	12,415	11,994	265,248
<b>CHINA SMALL COMPANIES FUND</b>			
<b>Net Assets</b>			
I Acc (USD)	2,381,071	2,213,060	1,426,675
A Acc (USD)	1,813,686	1,173,375	1,148,232
<b>Net Asset Value Per Share</b>			
I Acc (USD)	14.43*	11.96*	12.62*
A Acc (USD)	14.07*	11.72*	12.42*
<b>Shares Outstanding</b>			
I Acc (USD)	164,987	184,399	112,689
A Acc (USD)	128,877	99,768	92,090

\* NAV per share includes swing pricing adjustment.

<sup>4</sup> Commenced operations on 5 February 2016.

<sup>5</sup> Commenced operations on 30 April 2015.

<sup>6</sup> Commenced operations on 8 January 2016.

The accompanying notes form an integral part of these financial statements.

# Notes to Financial Statements

As at 31 March 2017

## 1. GENERAL

MATTHEWS ASIA FUNDS (the “Fund”) is a self-managed investment company organized under the laws of the Grand Duchy of Luxembourg as a “société d’investissement à capital variable” (SICAV) and is authorized under Part I of the amended Luxembourg Law of December 17, 2010, implementing the Directive 2014/91/EU of the European Parliament (“UCITS V Directive”) and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS). The Fund was incorporated on 5 February 2010.

The Fund’s articles of incorporation have been deposited with the Luxembourg Registre du Commerce et des Sociétés and were published in the *Mémorial C, Recueil des Sociétés et Associations* (the “Mémorial”) on 25 February 2010 and the last update was published on 31 March 2016.

The Fund has been registered under number B-151275 with the Luxembourg Trade and Companies Register.

The objective of the Fund is to provide investors with access to the markets of the Asia Pacific region, through diversification of investments. Each Sub-Fund will have a specific investment objective.

At the closing date, twelve Sub-Funds were available for investments.

Each Sub-Fund offers the following Classes of Shares:

	I ACC (USD)	I DIST (USD)	A ACC (USD)	A DIST (USD)	I ACC (GBP)	I DIST (GBP)	A ACC (GBP)	A DIST (GBP)	I ACC (JPY)	C ACC (USD)	S ACC (USD)
Asia Strategic Income Fund	X	X	X	X							
Asia Credit Opportunities Fund		X		X		X					
Asia Dividend Fund	X	X	X	X	X	X	X	X		X	
Asia ex Japan Dividend Fund	X	X	X	X	X	X					
China Dividend Fund	X	X	X	X							
Asia Focus Fund	X		X								
Pacific Tiger Fund	X	X	X		X	X	X		X*		
China Fund	X		X		X		X				
India Fund	X		X		X		X				X
Japan Fund	X		X		X						X
Asia Small Companies Fund	X		X		X						
China Small Companies Fund	X		X								

\* Commenced operations on 27 March 2017.

Each Sub-Fund may offer both accumulation (“Acc”) and distribution Shares (“Dist”), but in relation to Shares referenced as “Acc” Shares, no distributions will be made and all interests and other income earned by the Sub-Fund will be reflected in the Net Asset Value (“NAV”) of such Shares. In relation to Shares referenced as “Dist” Shares, it is the intention of the Board of Directors of the Fund to periodically distribute substantially all the income earned on investments. All classes belonging to the same Sub-Fund will be commonly invested in adherence with the specific investment objective of the relevant Sub-Fund but may differ with regard to fee structure, minimum subscription amount, dividend policy or other particular features described in the Fund’s prospectus. All Classes of Shares except I Acc (JPY), S Acc (USD) and C Acc (USD) are listed on Luxembourg Stock Exchange.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Luxembourg law and regulations relating to UCITS and generally accepted accounting principles in Luxembourg.

### B) COMBINED FINANCIAL STATEMENTS

The Combined Statement of Assets and Liabilities and Combined Statements of Operations and Changes in Net Assets are expressed in USD. The currency of all Sub-Funds is USD and therefore there is no currency translation adjustment.

### C) VALUATION OF THE INVESTMENTS IN SECURITIES AND MONEY MARKET INSTRUMENTS

The Fund’s equity securities are valued based on market quotations or at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund (the “Board”) when no market quotations are available or when market quotations have become unreliable.

Market values for equity securities are determined based on the last sale price on the principal (or most advantageous) market on which the security is traded. If a reliable last sale price is not available, market values for equity securities are determined using the mean between the last available bid and asked price. Securities are valued through valuations obtained from a commercial pricing service or at the most recent mean of the bid and asked prices provided by investment dealers in accordance with the Fund’s Pricing Policies.

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### C) VALUATION OF THE INVESTMENTS IN SECURITIES AND MONEY MARKET INSTRUMENTS *(Continued)*

Securities that trade in over-the-counter markets, including most debt securities (bonds), may be valued by other third-party vendors or by using indicative bid quotations from dealers or market makers, or other available market information.

Events affecting the value of foreign investments may occur between the time at which they are determined and the Fund's valuation point of 2:00 p.m. Luxembourg time. When such events occur, each Sub-Fund may fair value its securities if the impact of such events can be reasonably determined. Notwithstanding the foregoing, the Fund may determine not to fair value securities where it believes that the impact of doing so would not have a material impact on the calculation of a Sub-Fund's NAV on that day.

The Board has delegated the responsibility of making fair value determinations to the Investment Manager's Valuation Committee (the "Valuation Committee"), subject to the Fund's Pricing Policies. The Fund has retained third-party pricing services that may be utilized by the Valuation Committee under circumstances described in the Pricing Policies to provide fair value prices for certain securities held by the Fund. To propose the fair value price of the suspended securities, the Valuation Committee may use techniques such as analyses of the price movements of selected proxies / indices whose performance might indicate valuation changes of the suspended securities. When fair value pricing is used, the prices of securities used by a Sub-Fund to calculate its Net Asset Value differ from quoted or published prices for the same securities for that day. All fair value determinations are made subject to the Board's oversight.

### D) NET REALIZED AND CHANGE IN UNREALIZED GAIN/(LOSS) ON INVESTMENTS

Net realized gains or losses on sales of investments are calculated on the basis of first in first out cost method of the investments sold. At year end, holdings in securities have been valued at their last available prices on the main market for the relevant security, unrealized gains or losses are included within the Statement of Operations and Changes in Net Assets.

### E) FORWARD CURRENCY EXCHANGE CONTRACTS

A forward currency exchange contract is an agreement to buy or sell a specific amount of foreign currency at a certain rate, on or before a certain date. Outstanding forward currency exchange contracts are valued by reference to the forward rate of exchange applicable to the maturity of the contracts.

The unrealized gain and loss are shown in the Statement of Assets and Liabilities under "Unrealized gain on forward currency exchange contracts" and "Unrealized loss on forward currency exchange contracts".

Net realized gain/(loss) and net changes in unrealized gain/(loss) as a result thereof are included in the Statement of Operations and Changes in Net Assets under "Net realized gain/(loss) on forward currency exchange contracts" and "Net change in unrealized gain/(loss) on forward currency exchange contracts", respectively.

### F) CREDIT DEFAULT SWAP AGREEMENTS

A credit default swap is an agreement under which a buyer of protection is obligated to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation.

The value of a credit default swap agreement shall be determined using the quotation available in the market.

The unrealized gain and loss are shown in the Statement of Assets and Liabilities under "Unrealized gain on credit default swap agreements" and "Unrealized loss on credit default swap agreements".

Net changes in unrealized gain/(loss) as a result thereof are included in the Statement of Operations and Changes in Net Assets under "Net change in unrealized gain/(loss) on credit default swap agreements".

In case of settlements of the credit default swap agreements, the net realized gain/(loss) as a result thereof will be included in the Statement of Operations and Changes in Net Assets under "Net realized gain/(loss) on credit default swap agreements".

### G) CONVERSION OF FOREIGN CURRENCIES

The books and records of the Fund are maintained in USD.

Transactions denominated in foreign currencies are recorded at the current prevailing exchange rates on the transaction date. All assets and liabilities denominated in foreign currencies are translated into USD at the exchange rate as at 31 March 2017.

Conversion gains or losses resulting from changes in the exchange rate during the financial year and realized gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current year.

The Fund does not isolate that portion of gains and losses on investments in equity securities that are due to changes in the foreign exchange rate from those that are due to changes in market prices of equity securities.

The accounting records and the financial statements of each Sub-Fund are expressed in USD.

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### G) CONVERSION OF FOREIGN CURRENCIES *(Continued)*

Bank accounts, other net assets and market value of the investments in securities expressed in currencies other than the currency of a Sub-Fund are converted at the exchange rates prevailing on the date of the Statement of Assets and Liabilities. Income and expenses in currencies other than the currency of a Sub-Fund are converted at the rate of exchange prevailing at the transaction date.

Net realized and net change in unrealized gains and losses on foreign exchanges represent: (i) foreign exchange gains and losses from the sale and holding of foreign currencies; (ii) gains and losses between trade date and settlement date on securities transactions and (iii) gains and losses arising from the difference between amounts of dividends and interest recorded and the amounts actually received.

### H) COST OF INVESTMENTS IN SECURITIES

Cost of investments in securities in currencies other than the currency of a Sub-Fund is converted into the Sub-Fund's currency at the exchange rate applicable at purchase date.

### I) INCOME

Interest income is accrued on a daily basis and may include the amortization of premiums and accretions of discounts. Bank and time deposits interest income are recognized on an accrual basis.

Dividends are credited to income on the date upon which the relevant securities are first listed as 'ex dividend' provided that the amount of a dividend is known with reasonable certainty. This income is shown net of any withholding taxes, except where the withholding tax has been received or is receivable.

### J) FEE WAIVER

The Investment Advisor may, for such time as it considers appropriate, choose to waive all or part of the fees that it is entitled to receive, or to reimburse a Sub-Fund for other expenses, in order to reduce the impact such fees and expenses may have on the performance of the Share Class. The Investment Advisor will reimburse on a monthly basis the amount of the fee waiver or expense reimbursement to the respective Sub-Fund. Fees that have been previously waived and expenses that have been previously reimbursed may be recovered by the Investment Advisor.

The waived fees are settled monthly on a net basis with management and administration fees and therefore they are presented as one statement line item in the Statement of Assets and Liabilities under "Management fees and administration fees payable".

The amounts of the fees waived and fees recovered for the current year are separately disclosed as "Advisory Fees Waived and Expenses Reimbursed" and "Advisory Fees and Expenses Recovered", respectively, in the Statements of Operations and Changes in Net Assets.

### K) FORMATION EXPENSES

The cost of establishing the Fund amounted to USD 157,391. The establishment costs have been amortized on a straight line basis over five years from the date of which the Fund commenced business. As of 31 March 2017 the establishment costs have been fully amortized.

### L) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## 3. EXCHANGE RATES

### The exchange rates to 1 USD used in the financial statements as at 31 March 2017 are:

Australian Dollar (AUD)	1.3074	Hong Kong Dollar (HKD)	7.7705	Malaysian Ringgit (MYR)	4.4255
Bangladesh Taka (BDT)	80.215	Indonesian Rupiah (IDR)	13,326	Philippines Peso (PHP)	50.175
Swiss Franc (CHF)	1.0008	Indian Rupee (INR)	64.935	Singapore Dollar (SGD)	1.3972
Chinese Yuan Renminbi (CNH)	6.8764	Japanese Yen (JPY)	111.82	Thai Bhat (THB)	34.363
Chinese Yuan (CNY)	6.8918	South Korean Won (KRW)	1,118.3	Taiwan New Dollar (TWD)	30.343
British Pound (GBP)	0.8010	Sri Lankan Rupee (LKR)	152.13	Vietnamese Dong (VND)	22,755

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 4. MANAGEMENT FEES AND ADMINISTRATION FEES

The Investment Advisor receives an amount corresponding to the Management Fee, which may be up to 1.50% per annum of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. The Management fees in the table represent the effective fees paid to the Investment Advisor, which are then paid out to the Investment Manager.

	I ACC (USD)	I DIST (USD)	A ACC (USD)	A DIST (USD)	I ACC (GBP)	I DIST (GBP)	A ACC (GBP)	A DIST (GBP)	I ACC (JPY)	C ACC (USD)	S ACC (USD)
Asia Strategic Income Fund	0.65%	0.65%	1.20%	1.20%	—	—	—	—	—	—	—
Asia Credit Opportunities Fund	—	0.65%	—	1.20%	—	0.65%	—	—	—	—	—
Asia Dividend Fund	0.75%	0.75%	1.25%	1.25%	0.75%	0.75%	1.25%	1.25%	—	0.75%#	—
Asia ex Japan Dividend Fund	0.75%	0.75%	1.25%	1.25%	0.75%	0.75%	—	—	—	—	—
China Dividend Fund	0.75%	0.75%	1.25%	1.25%	—	—	—	—	—	—	—
Asia Focus Fund	0.75%	—	1.25%	—	—	—	—	—	—	—	—
Pacific Tiger Fund	0.75%	0.75%	1.25%	—	0.75%	0.75%	1.25%	—	0.75%*	—	—
China Fund	0.75%	—	1.25%	—	0.75%	—	1.25%	—	—	—	—
India Fund	0.75%	—	1.25%	—	0.75%	—	1.25%	—	—	—	0.75%#
Japan Fund	0.75%	—	1.25%	—	0.75%	—	—	—	—	—	0.75%#
Asia Small Companies Fund	1.00%	—	1.50%	—	1.00%	—	—	—	—	—	—
China Small Companies Fund	1.00%	—	1.50%	—	—	—	—	—	—	—	—

\* Commenced operations on 27 March 2017.

# Maximum level as per Prospectus.

In addition, the Investment Advisor receives an Administration Fee, which may be up to 0.25% per annum of the NAV of the Sub-Fund calculated (before deduction of accrued Management and Advisory Fees) on each Valuation Day. The Administration Fee is currently 0.25% for each Sub-Fund. The Investment Advisor pays the Administration Fee to the Investment Manager for administrative services provided to each Sub-Fund.

## 5. DEPOSITARY AND ADMINISTRATIVE AGENT FEES

The Depositary and the Administrative Agent receive from the Fund aggregate fees that amount to a maximum of 2% per annum of the total net assets of each Sub-Fund. The fees effectively charged to each Sub-Fund are disclosed in the Statement of Operations and Changes in Net Assets of the Fund. The Depositary and Administrative Agent fees are payable monthly in arrears. Transaction costs are charged separately.

## 6. TRANSFER AGENT FEES

The Transfer Agent receives a minimum annual fee of USD 3,000 per Sub-Fund. The fees effectively charged to each Sub-Fund are disclosed in the Statement of Operations and Changes in Net Assets of the Fund. The Transfer Agent fees are payable monthly.

## 7. OTHER EXPENSES

The Fund bears its operational costs including but not limited to governmental fees, taxes, fees and out-of-pocket expenses of its Directors, legal and auditing fees, infrastructure fees, publishing and printing expenses, the cost of preparing the explanatory memoranda, financial reports and other documents for the Shareholders.

In addition to the fees paid to the Fund's transfer agent, the relevant Sub-Funds bear the cost of fees paid to certain service providers, such as distributors or financial intermediaries, which provide transfer agency, record-keeping and shareholder servicing to certain shareholders. Such fees accrued to pay these service providers are a component of "accrued expenses and other payables" on the Statement of Assets and Liabilities as well as included in "other expenses" in the Statement of Operations and Changes in Net Assets.

## 8. DIRECTOR FEE

There are two directors who are independent of Matthews. One director will be remunerated as a Director of the Fund from 1 April 2017, and the other Director is remunerated as a Conducting Officer, and not separately as a Director of the Fund. The three Directors who are employees of Matthews do not receive additional compensation in respect of their roles as Directors of the Fund.

## 9. TAXATION

### A) TAXE D'ABONNEMENT

The subscription tax is payable quarterly and calculated on the total net assets of each Sub-Fund at the end of the relevant quarter at a rate of 0.05% per annum.

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 9. TAXATION *(Continued)*

### A) TAXE D'ABONNEMENT *(Continued)*

This rate is reduced to 0.01% (i) for Sub-Funds or individual classes of shares reserved to one or more institutional investors or (ii) funds or Sub-Funds having the exclusive objective to invest in money market instruments as defined by the amended law of 17 December 2010 relating to undertakings of collective investment.

### B) PROVISION FOR FOREIGN TAXES

The Sub-Funds may be subject to short-term capital gains tax in India on gains realized upon disposal of Indian securities held for a period of one year or less. The tax is computed on net realized gains; any realized losses in excess of gains may be carried forward for a period of up to eight years to offset future gains. Any net taxes payable must be remitted to the Indian government prior to repatriation of sales proceeds. The Sub-Funds that invest in Indian securities accrue a deferred tax liability for net unrealized short-term gains in excess of available carry forwards on Indian securities. This accrual may reduce a Sub-Fund's net asset value. As at 31 March 2017, the impacted sub-funds recorded a payable as reflected in the caption "Payable for foreign taxes" in the Statement of Assets and Liabilities, as an estimate for potential Indian capital gains taxes.

## 10. TRANSACTION COSTS

For the year ended 31 March 2017, the Fund incurred transaction costs which have been defined as brokerage fees and commissions and depositary transaction fees relating to purchase or sale of transferable securities or other eligible assets as follows:

Sub-Fund (USD)	Brokerage fees and commissions	Depositary transaction fees	Total transaction costs
Asia Strategic Income Fund	1,657	4,086	5,743
Asia Credit Opportunities Fund	–	3,411	3,411
Asia Dividend Fund	674,747	76,856	751,603
Asia ex Japan Dividend Fund	5,506	27,585	33,091
China Dividend Fund	17,928	46,348	64,276
Asia Focus Fund	801	12,958	13,759
Pacific Tiger Fund	200,375	38,112	238,487
China Fund	60,634	39,747	100,381
India Fund	143,847	44,910	188,757
Japan Fund	148,974	30,267	179,241
Asia Small Companies Fund	212,371	67,729	280,100
China Small Companies Fund	14,047	34,786	48,833

## 11. TRANSACTIONS WITH CONNECTED PERSONS

All transactions entered into between the Fund and the Investment Manager, Investment Advisor, the Directors of the Fund or any entity in which those parties or their connected persons have a material interest have been entered into in the ordinary course of business and on normal commercial terms. The Fund has not entered into any transactions through a broker who is a connected person, nor has the Fund entered into any transactions which are outside the ordinary course of business or not on normal commercial terms.

## 12. SOFT COMMISSION ARRANGEMENTS

The Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialized computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assist in the provision of investment services to the Fund. The total monetary value of these arrangements for the year ended 31 March 2017 is USD 114,913.

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 13. DIVIDENDS

The Fund intends to declare and distribute dividends representing substantially all of the investment income attributable to Distributing Shares. Dividends in respect of these Shares will normally be payable quarterly or semi-annually, will be declared in the currency of denomination of the relevant Fund and will be recorded on ex-date. Interim dividends in respect of the Distributing Shares of any particular Fund may be paid from the attributable net investment income and realized capital gains with a frequency and at such intervals as the Board of Directors may decide.

The Securities and Futures Commission of Hong Kong (“SFC”) requires disclosure of the composition of dividends distributed by SFC authorized funds. This disclosure includes the amount of the distribution per share as well as the portion of the dividend paid out of capital or effectively out of capital on a rolling twelve-month period.

The following dividend payments were made during the year ended 31 March 2017:

	Currency	Ex-Date	Date of dividend payment	Dividend per Share	Dividend paid out of net distributable income for the period (%)	Dividend paid out of capital or effectively out of capital (%)
<b>Asia Strategic Income Fund</b>						
I Dist	USD	06/21/16	07/01/16	0.142845	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	09/20/16	09/30/16	0.154026	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	12/07/16	12/19/16	0.173174	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	03/21/17	03/31/17	0.151386	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	06/21/16	07/01/16	0.141754	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	09/20/16	09/30/16	0.152994	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	12/07/16	12/19/16	0.170950	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	03/21/17	03/31/17	0.149669	n.a. <sup>1</sup>	n.a. <sup>1</sup>
<b>Asia Credit Opportunities Fund</b>						
I Dist	USD	06/21/16	07/01/16	0.179854	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	09/20/16	09/30/16	0.176785	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	12/07/16	12/19/16	0.186314	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	03/21/17	03/31/17	0.156881	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	06/21/16	07/01/16	0.179296	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	09/20/16	09/30/16	0.171437	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	12/07/16	12/19/16	0.182810	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	03/21/17	03/31/17	0.154116	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	06/21/16	07/01/16	0.185706	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	09/20/16	09/30/16	0.200309	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	12/07/16	12/19/16	0.222538	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	03/21/17	03/31/17	0.200045	n.a. <sup>1</sup>	n.a. <sup>1</sup>
<b>Asia Dividend Fund</b>						
I Dist	USD	06/21/16	07/01/16	0.177386	72.28%	27.72%
I Dist	USD	09/20/16	09/30/16	0.116778	66.55%	33.45%
I Dist	USD	12/07/16	12/19/16	0.058131	33.29%	66.71%
I Dist	USD	03/21/17	03/31/17	0.069805	41.73%	58.27%
A Dist	USD	06/21/16	07/01/16	0.165515	63.31%	36.69%
A Dist	USD	09/20/16	09/30/16	0.117313	52.40%	47.60%
A Dist	USD	12/07/16	12/19/16	0.057699	3.67%	96.33%
A Dist	USD	03/21/17	03/31/17	0.073815	22.03%	77.97%
I Dist	GBP	06/21/16	07/01/16	0.169438	72.96%	27.04%
I Dist	GBP	09/20/16	09/30/16	0.133430	66.24%	33.76%
I Dist	GBP	12/07/16	12/19/16	0.069218	33.42%	66.58%
I Dist	GBP	03/21/17	03/31/17	0.088339	45.33%	54.67%
A Dist	GBP	06/21/16	07/01/16	0.167450	64.27%	35.73%
A Dist	GBP	09/20/16	09/30/16	0.128422	51.20%	48.80%
A Dist	GBP	12/07/16	12/19/16	0.068644	5.90%	94.10%
A Dist	GBP	03/21/17	03/31/17	0.088578	23.25%	76.75%

<sup>1</sup> This Sub-Fund is not authorized in Hong Kong, therefore disclosure of the portion paid out of distributable income and out of capital is not required.

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 13. DIVIDENDS *(Continued)*

The following dividend payments were made during the year ended 31 March 2017:

	Currency	Ex-Date	Date of dividend payment	Dividend per Share	Dividend paid out of net distributable income for the period (%)	Dividend paid out of capital or effectively out of capital (%)
<b>Asia ex Japan Dividend Fund</b>						
I Dist	USD	06/21/16	07/01/16	0.175764	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	09/20/16	09/30/16	0.074503	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	12/07/16	12/19/16	0.041150	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	USD	03/21/17	03/31/17	0.046208	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	06/21/16	07/01/16	0.175324	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	09/20/16	09/30/16	0.074240	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	12/07/16	12/19/16	0.040944	n.a. <sup>1</sup>	n.a. <sup>1</sup>
A Dist	USD	03/21/17	03/31/17	0.045921	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	06/21/16	07/01/16	0.180244	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	09/20/16	09/30/16	0.084293	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	12/07/16	12/19/16	0.049001	n.a. <sup>1</sup>	n.a. <sup>1</sup>
I Dist	GBP	03/21/17	03/31/17	0.056540	n.a. <sup>1</sup>	n.a. <sup>1</sup>
<b>China Dividend Fund</b>						
I Dist	USD	06/21/16	07/01/16	0.243910	81.09%	18.91%
I Dist	USD	12/07/16	12/19/16	0.086210	39.87%	60.13%
A Dist	USD	06/21/16	07/01/16	0.239577	76.03%	23.97%
A Dist	USD	12/07/16	12/19/16	0.145860	20.81%	79.19%
<b>Pacific Tiger Fund</b>						
I Dist	USD	12/07/16	12/19/16	0.135143	35.66%	64.34%
I Dist	GBP	12/07/16	12/19/16	0.233573	38.89%	61.11%

<sup>1</sup> This Sub-Fund is not authorized in Hong Kong, therefore disclosure of the portion paid out of distributable income and out of capital is not required.

## 14. SWING PRICING

The Board of Directors of the Fund implemented a price adjustment policy in order to protect the interests of the Fund's Shareholders. The purpose of the price adjustment policy is to allocate the costs associated with large inflows and outflows to investors transacting that day, thereby protecting the long-term Shareholders from the worst effects of dilution. It achieves this purpose by adjusting the price at which deals in a Sub-Fund are transacted. In other words, Sub-Funds' prices may be adjusted up or down depending on the level and type of investor transactions on a particular day. In this way the existing and remaining Shareholders do not suffer an inappropriate level of dilution. The Fund will only trigger an adjustment in the price when there are net capital flows. The adjustment will be based on the normal dealing costs for the particular assets in which a Sub-Fund is invested but will not exceed 2% of the price. Once an adjustment is made to the price, that price is the official price for that Sub-Fund for all deals that day.

A periodic review is undertaken in order to verify the appropriateness of swing factor being applied.

As at 31 March 2017, swing pricing was applied on the NAV per share of the following Sub-Funds:

Asia Dividend Fund, China Dividend Fund, Pacific Tiger Fund, China Fund, India Fund, Japan Fund, Asia Small Companies Fund and China Small Companies Fund.

# Notes to Financial Statements *(Continued)*

*As at 31 March 2017*

## 15. FORWARD CURRENCY EXCHANGE CONTRACTS

As at 31 March 2017, Asia Strategic Income Fund has outstanding forward currency exchange contracts as follows:

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealized Gain/(Loss) USD	% of Net Assets
<b>Unrealized Gain on Forward Currency Exchange Contracts</b>							
TWD	32,330,000	USD	1,041,895	04/06/17	J.P. Morgan	23,382	0.21
KRW	727,187,500	USD	650,000	06/27/17	J.P. Morgan	1,117	0.01
<b>Total Unrealized Gain on Forward Currency Exchange Contracts</b>						<b>24,499</b>	<b>0.22</b>
<b>Unrealized Loss on Forward Currency Exchange Contracts</b>							
PHP	35,056,000	USD	700,000	05/02/17	J.P. Morgan	(3,318)	(0.03)
USD	1,000,000	TWD	32,330,000	04/06/17	J.P. Morgan	(65,276)	(0.59)
<b>Total Unrealized Loss on Forward Currency Contracts</b>						<b>(68,594)</b>	<b>(0.62)</b>
<b>Net Unrealized Loss on Forward Currency Exchange Contracts</b>						<b>(44,095)</b>	<b>(0.40)</b>

## 16. CREDIT DEFAULT SWAP AGREEMENTS

As at 31 March 2017, Asia Strategic Income Fund has outstanding credit default swap agreements as follows:

Protection position	Nominal Amount	Currency	Description	Rate	Settlement Date	Counterparty	Unrealized Gain/(Loss) USD	% of Net Assets
<b>Market value of Credit Default Swap Agreements</b>								
Buy	1,500,000	USD	Credit Default Swap on Korea International Bond	1.000%	06/20/22	Bank of America N.A.	(36,104)	(0.33)
<b>Total market value of Credit Default Swap Agreements</b>							<b>(36,104)</b>	<b>(0.33)</b>

The premium paid at trade date for the above credit default swap agreement amounted to USD 36,741.

As at 31 March 2017, Asia Credit Opportunities Fund has outstanding credit default swap agreements as follows:

Protection position	Nominal Amount	Currency	Description	Rate	Settlement Date	Counterparty	Unrealized Gain/(Loss) USD	% of Net Assets
<b>Market value of Credit Default Swap Agreements</b>								
Buy	1,500,000	USD	Credit Default Swap on Korea International Bond	1.000%	06/20/22	Bank of America N.A.	(36,104)	(0.27)
<b>Total market value of Credit Default Swap Agreements</b>							<b>(36,104)</b>	<b>(0.27)</b>

The premium paid at trade date for the above credit default swap agreement amounted to USD 36,741.

There was no collateral pledged or received on the credit default swap agreements as at 31 March 2017.

## 17. SIGNIFICANT EVENT

The Fund has appointed Brown Brothers Harriman (Luxembourg) SCA as the Fund's depositary, administrative agent and transfer agent effective 4 April 2016. The new registered office of the Fund effective 4 April 2016 is 80, route d'Esch L-1470 Luxembourg. Prior to this change J.P. Morgan Bank Luxembourg S.A. was the Fund's depositary, administrative agent and listing agent. The registered office of the Fund was European Bank & Business Centre, 6c, route de Trèves L-2633 Senningerberg.

### Further Information

#### STATEMENT OF CHANGES IN SECURITIES PORTFOLIO

A copy of the changes in the securities portfolio for the year is available free of charge at the registered office of the Fund.

# Performance and Expenses *(Unaudited)*

As at 31 March 2017

	Average Annual Total Return <sup>1</sup>					Inception Date	Portfolio Turnover Ratio <sup>2</sup>	Total Expense Ratio <sup>3</sup>
	3 months	1 year	3 years	5 years	Since Inception			
<b>ASIA STRATEGIC INCOME FUND</b>								
I Acc (USD)	2.48%	8.05%	n.a.	n.a.	2.80%	29 Aug 2014	123.42%	1.25%
I Dist (USD)	2.40%	8.02%	n.a.	n.a.	2.79%	29 Aug 2014	123.42%	1.25%
A Acc (USD)	2.32%	7.51%	n.a.	n.a.	2.28%	29 Aug 2014	123.42%	1.75%
A Dist (USD)	2.30%	7.45%	n.a.	n.a.	2.28%	29 Aug 2014	123.42%	1.75%
Markit iBoxx Asian Local Bond Index (USD)	4.56%	-0.01%	n.a.	n.a.	0.37% <sup>4</sup>			
<b>ASIA CREDIT OPPORTUNITIES FUND</b>								
I Dist (USD)	2.65%	9.66%	n.a.	n.a.	10.30%	30 Sept 2015	105.16%	1.25%
A Dist (USD)	2.54%	9.06%	n.a.	n.a.	9.76%	30 Sept 2015	105.16%	1.75%
I Dist (GBP)	1.31%	26.41%	n.a.	n.a.	25.65%	30 Sept 2015	105.16%	1.25%
J.P. Morgan Asia Credit Index (USD)	2.56%	4.80%	n.a.	n.a.	6.54% <sup>5</sup>			
<b>ASIA DIVIDEND FUND</b>								
I Acc (USD)	10.48%	12.49%	6.55%	7.55%	7.06%	30 Apr 2010	44.37%	1.25%
I Dist (USD)	10.52%	12.47%	6.55%	7.55%	7.40%	26 Aug 2010	44.37%	1.24%
A Acc (USD)	10.41%	11.93%	5.97%	6.97%	6.85%	26 Aug 2010	44.37%	1.74%
A Dist (USD)	10.40%	12.00%	5.98%	6.98%	6.85%	26 Aug 2010	44.37%	1.74%
I Acc (GBP)	9.10%	29.68%	17.25%	13.04%	11.42%	28 Feb 2011	44.37%	1.22%
I Dist (GBP)	9.15%	29.64%	17.26%	13.05%	11.42%	28 Feb 2011	44.37%	1.23%
A Acc (GBP)	9.02%	29.08%	16.72%	12.47%	10.86%	28 Feb 2011	44.37%	1.73%
A Dist (GBP)	9.02%	29.05%	16.68%	12.46%	10.86%	28 Feb 2011	44.37%	1.73%
C Acc (USD)	10.57%	12.80%	6.88%	7.90%	7.15%	20 Sept 2010	44.37%	0.95%
MSCI All Country Asia Pacific Index (USD)	9.49%	17.07%	4.92%	5.88%	5.12% <sup>4</sup>			
<b>ASIA EX JAPAN DIVIDEND FUND</b>								
I Acc (USD)	13.27%	19.06%	n.a.	n.a.	15.53%	30 Nov 2015	180.27%	1.50%
I Dist (USD)	13.20%	19.05%	n.a.	n.a.	15.50%	30 Nov 2015	180.27%	1.50%
A Acc (USD)	13.06%	18.41%	n.a.	n.a.	14.89%	30 Nov 2015	180.27%	2.00%
A Dist (USD)	13.08%	18.47%	n.a.	n.a.	14.91%	30 Nov 2015	180.27%	2.00%
I Acc (GBP)	11.82%	37.32%	n.a.	n.a.	32.67%	30 Nov 2015	180.27%	1.50%
I Dist (GBP)	11.80%	37.30%	n.a.	n.a.	32.64%	30 Nov 2015	180.27%	1.50%
MSCI All Country Asia ex Japan Index (USD)	13.41%	17.82%	n.a.	n.a.	14.27% <sup>4</sup>			
<b>CHINA DIVIDEND FUND</b>								
I Acc (USD)	8.29%	17.66%	9.33%	n.a.	7.65%	31 Jan 2013	100.09%	1.50%
I Dist (USD)	8.23%	17.64%	9.37%	n.a.	7.65%	31 Jan 2013	100.09%	1.50%
A Acc (USD)	8.12%	17.15%	8.84%	n.a.	7.13%	31 Jan 2013	100.09%	2.00%
A Dist (USD)	8.13%	17.17%	8.84%	n.a.	7.14%	31 Jan 2013	100.09%	2.00%
MSCI China Index (USD)	12.93%	19.93%	6.65%	n.a.	3.20% <sup>4</sup>			
<b>ASIA FOCUS FUND</b>								
I Acc (USD)	11.12%	10.15%	n.a.	n.a.	0.32%	30 May 2014	61.99%	1.14%
A Acc (USD)	11.05%	9.70%	n.a.	n.a.	-0.18%	30 May 2014	61.99%	1.64%
MSCI All Country Asia ex Japan Index (USD)	13.41%	17.82%	n.a.	n.a.	3.53% <sup>4</sup>			

1 Annualized performance for periods of at least one year, otherwise cumulative.

2 The Portfolio Turnover Ratio is calculated in accordance with the CSSF Circular 03/122 i.e. the aggregated sales and purchases less aggregated subscriptions and redemptions, divided by average net assets of the period. The portfolio turnover ratio may be negative as a result of shareholder transactions exceeding the investment transactions for the accounting period.

3 The Total Expense Ratio includes such fees as the Management and Administration fee, Domiciliation, Administrative Agent and Transfer agency fees, Professional fees, Printing fees, Depository fee and Taxe d'abonnement. The Total Expense Ratio reported is for the 12 month period ended 31 March 2017 and is annualized for periods of less than 12 months.

4 Based on the Inception Date of the I Acc (USD) Share Class.

5 Based on the Inception Date of the I Dist (USD) Share Class.

# Performance and Expenses *(Unaudited) (Continued)*

As at 31 March 2017

	Average Annual Total Return <sup>1</sup>					Inception Date	Portfolio Turnover Ratio <sup>2</sup>	Total Expense Ratio <sup>3</sup>
	3 months	1 year	3 years	5 years	Since Inception			
<b>PACIFIC TIGER FUND</b>								
I Acc (USD)	12.19%	11.95%	6.21%	6.65%	6.59%	30 Apr 2010	-59.03%	1.36%
I Dist (USD)	12.19%	11.86%	n.a.	n.a.	3.34%	31 Oct 2014	-59.03%	1.34%
A Acc (USD)	12.02%	11.25%	5.61%	6.06%	5.73%	26 Aug 2010	-59.03%	1.98%
I Acc (GBP)	10.74%	29.09%	16.93%	12.11%	10.90%	28 Feb 2011	-59.03%	1.34%
I Dist (GBP)	10.68%	29.03%	n.a.	n.a.	14.40%	31 Oct 2014	-59.03%	1.37%
A Acc (GBP)	10.53%	28.43%	16.21%	11.49%	10.30%	28 Feb 2011	-59.03%	1.86%
I Acc (JPY)	n.a.	n.a.	n.a.	n.a.	2.02%	27 Mar 2017	-59.03%	1.50%
MSCI All Country Asia ex Japan Index (USD)	13.41%	17.82%	4.96%	5.06%	4.99% <sup>4</sup>			
<b>CHINA FUND</b>								
I Acc (USD)	14.75%	22.17%	5.02%	3.14%	2.95%	26 Feb 2010	132.40%	1.50%
A Acc (USD)	14.67%	21.65%	4.49%	2.63%	1.71%	26 Aug 2010	132.40%	2.00%
I Acc (GBP)	13.32%	40.92%	15.64%	8.43%	5.83%	28 Feb 2011	132.40%	1.50%
A Acc (GBP)	13.25%	40.16%	15.02%	7.86%	5.28%	28 Feb 2011	132.40%	2.00%
MSCI China Index (USD)	12.93%	19.93%	6.65%	5.86%	4.23% <sup>4</sup>			
<b>INDIA FUND</b>								
I Acc (USD)	18.86%	22.51%	15.69%	11.58%	6.51%	30 June 2011	9.00%	1.50%
A Acc (USD)	18.79%	22.01%	15.15%	11.03%	5.99%	30 June 2011	9.00%	2.00%
I Acc (GBP)	17.38%	41.30%	27.34%	17.28%	11.23%	30 June 2011	9.00%	1.50%
A Acc (GBP)	17.28%	40.66%	26.75%	16.70%	10.68%	30 June 2011	9.00%	2.00%
S Acc (USD)	19.10%	23.12%	n.a.	n.a.	20.69%	5 Feb 2016	9.00%	1.00%
S&P Bombay Stock Exchange 100 Index (USD)	19.04%	25.22%	10.91%	8.64%	3.92% <sup>4</sup>			
<b>JAPAN FUND</b>								
I Acc (USD)	6.05%	5.14%	n.a.	n.a.	5.34%	30 Apr 2015	54.76%	1.42%
A Acc (USD)	5.91%	4.59%	n.a.	n.a.	4.80%	30 Apr 2015	54.76%	2.00%
I Acc (GBP)	4.68%	21.24%	n.a.	n.a.	17.57%	30 Apr 2015	54.76%	1.50%
S Acc (USD)	6.15%	5.65%	n.a.	n.a.	9.86%	8 Jan 2016	54.76%	1.00%
MSCI Japan Index (USD)	4.64%	14.82%	n.a.	n.a.	1.76% <sup>4</sup>			
<b>ASIA SMALL COMPANIES FUND</b>								
I Acc (USD)	10.30%	10.97%	1.27%	n.a.	2.53%	30 Apr 2013	109.59%	1.74%
A Acc (USD)	10.18%	10.41%	0.78%	n.a.	2.03%	30 Apr 2013	109.59%	2.22%
I Acc (GBP)	8.95%	27.97%	n.a.	n.a.	12.22%	30 Apr 2014	109.59%	1.72%
MSCI All Country Asia ex Japan Small Cap Index (USD)	12.80%	12.22%	2.03%	n.a.	1.99% <sup>4</sup>			
<b>CHINA SMALL COMPANIES FUND</b>								
I Acc (USD)	15.26%	20.65%	4.43%	8.63%	7.48%	29 Feb 2012	85.83%	1.71%
A Acc (USD)	15.14%	20.05%	3.91%	8.10%	6.95%	29 Feb 2012	85.83%	2.25%
MSCI China Small Cap Index (USD)	9.92%	13.57%	2.21%	7.09%	5.15% <sup>4</sup>			

1 Annualized performance for periods of at least one year, otherwise cumulative.

2 The Portfolio Turnover Ratio is calculated in accordance with the CSSF Circular 03/122 i.e. the aggregated sales and purchases less aggregated subscriptions and redemptions, divided by average net assets of the period. The portfolio turnover ratio may be negative as a result of shareholder transactions exceeding the investment transactions for the accounting period.

3 The Total Expense Ratio includes such fees as the Management and Administration fee, Domiciliation, Administrative Agent and Transfer agency fees, Professional fees, Depository fees and Taxe d'abonnement. The Total Expense Ratio reported is for the 12 month period ended 31 March 2017 and is annualized for periods of less than 12 months.

4 Based on the Inception Date of the I Acc (USD) Share Class.

5 Based on the Inception Date of the I Dist (USD) Share Class.

## Remuneration Policy *(Unaudited)*

The Fund ensures that it has in place a remuneration policy that is (i) in line with the business strategy, objectives, values and interests of the Fund and the interests of its Shareholders; (ii) consistent with sound and effective risk management; and (iii) which does not encourage risk taking which is inconsistent with the risk profile of the Fund. The Fund has identified its staff members whose professional activity have a material impact on its risks profile (the "Identified Staff"), and ensures they comply with its remuneration policy. None of the Identified Staff members receives any variable remuneration in exchange for professional services rendered to the Fund. The details of the up-to-date remuneration policy of the Fund are available on [global.matthewsasia.com](http://global.matthewsasia.com) and a paper copy is available free of charge upon request to the registered office of the Fund.

The remuneration policy applies to performance years/periods commencing December 2016.

Appropriate quantitative remuneration disclosures will be made in due course in accordance with the UCITS V Directive that came into effect on 18 March 2016 once a full performance year has been completed from the date the remuneration policy was applied.

# Disclosures and Index Definitions *(Unaudited)*

## Investor Disclosure

All performance quoted represents past performance and is no guarantee of future results. The performance data do not take into account the commissions and costs incurred on the issue and redemption of shares. Investment returns and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than the original cost. Current performance may be lower or higher than the return figures quoted. Investors investing in Sub-Funds denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal.

Performance details provided for the Sub-Funds are based on a NAV to NAV basis, assuming reinvestment of dividends and capital gains, and are net of management fees and other expenses.

## Calculation Method of the Risk Exposure

The methodology used in order to calculate the global exposure is the commitment approach in accordance with the CSSF Circular 11/512.

## Index Definitions

It is not possible to invest directly in an index.

The **Markit iBoxx Asian Local Bond Index (ALBI)** tracks the total return performance of a bond portfolio consisting of local-currency denominated, high quality and liquid bonds in Asia ex-Japan. The Markit iBoxx Asian Local Bond Index includes bonds from the following countries: China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **J.P. Morgan Asia Credit Index (JACI)** tracks the total return performance of the Asia fixed-rate dollar bond market. JACI is a market cap-weighted index comprising sovereign, quasi-sovereign and corporate bonds and is partitioned by country, sector and credit rating. JACI includes bonds from the following countries: China, Hong Kong, India, Indonesia, Korea, Philippines, Thailand and Singapore.

The **MSCI All Country Asia ex Japan Index** is a free float-adjusted market capitalisation-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI All Country Asia ex Japan Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI All Country Asia Pacific Index** is a free float-adjusted market capitalisation-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

The **MSCI China Index** is a free float-adjusted market capitalisation-weighted index of Chinese equities that includes China-affiliated corporations and H shares listed on The Hong Kong Exchange, and B shares listed on the Shanghai and Shenzhen exchanges.

The **MSCI China Small Cap Index** is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on The Hong Kong Exchange, B shares listed on the Shanghai and Shenzhen exchanges, and Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China).

The **MSCI Japan Index** is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan.

The **S&P Bombay Stock Exchange 100 (S&P BSE 100) Index** is a free float-adjusted market capitalisation-weighted index of the 100 stocks listed on the Bombay Stock Exchange.



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G-AR001-0317